THE BUSINESS WEEK

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Journal of Business News and Interpretation

The Big Steel Game

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APRIL 16 1930

Have you a "Cinderella" in your business?

THERE are many Cinderellas in the business world—products of first-class quality that are being held back because they do not present as fine an appearance as they should. Meanwhile competitive products forge ahead, largely because they are dressed up more attractively.

We are constantly being consulted by manufacturers who seek *better packages* for their products. We know what a remarkable difference even a slight improvement can make in the appearance of a package.

Improving the Package

Take, for example, a package which lacks the appeal of striking color. Perhaps, the maker of the product hesitates to change a well known color scheme—too risky. By placing a Cellophane wrapper around such a package, it instantly "brightens up"—colors become intensified, just as a coat of varnish brings out the colors on a painted surface. The package assumes a new interest, and an air of quality that is a real sales asset.

Frequently a package suffers simply because the wrapping is not neat enough—folds are not smooth; flaps insecurely sealed (or not sealed at all); the wrapping is not tight. This condition can be overcome by using more modern wrapping machines, which produce much finer packages, and at greater speed and less cost.

Some Cinderellas need to be decked out in an entirely new form of wrapping. There are some striking examples of real successes achieved in this line—fruit drops wrapped in foil like mints ...marshmallows put out in wax-wrapped cartons instead of in tins, to sell at a more popular price ...toilet soaps in new and distinctive wrappings.

Look to us for this service

We will be glad to sit down with you and work out a better way to package your product ...or to supply a method of wrapping a new product...or to lower your wrapping and packaging costs. Drop a line to our nearest office.

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts

New York Chicago Los Angeles
London: *Baker Perkins, Ltd.*

PACKAGE MACHINERY COMPANY
Over 150 Million Packages per day are wrapped on our Machines

THE BUSINESS WEEK (with which is combined The Magazine of Business). April 16, 1930. No. 32. Published weekly by McGraw-Hill Publishing Company, Inc. Tenth Avenue at Thirty-Sixth Street, New York, N. Y. James H. McGraw, Chairman of the Board. Malcolm Muir, President; James H. McGraw, Jr., Vice-President & Treasurer; C. H. Thompson, Secretary. $5.00 per year, 15c per copy. Entered as second-class matter February 15, 1930, at the post office at New York, N. Y., under the Act of March 3, 1879. Printed in U. S. A. Copyright 1930 by McGraw-Hill Publishing Company, Inc.

What's In This Issue—And Why

AUTOMOBILE sales for the first quarter were above 1927 and 1928 marks—and it's no fair counting abnormal 1929.

BUSINESS in Chicago looks better, partly due to steel orders for pipelines—steel's great new customer.

PRICES on pipe, by the way, were cut by U. S. Steel—"passing along benefit of improved processes" was the explanation offered.

SOUND, no doubt, but novel enough to startle older business men, is the reason given for the Tubize-Chatillon rayon merger. It is because research costs so much.

ONLY lower berths are filled these days. Pullman is hurt, worried, tries cutting rates. It has a tough sales problem.

THE four Americans who participated in founding the Bank for International Settlements say it will do much more than handle reparations—is likely to be a great power in world finance.

AUSTRALIA has just reared the world's highest tariff wall. Our trade with her has been $150 millions yearly; naturally we are interested.

ELEVATORS are crammed with old crop wheat; a new crop is almost upon us; seed time is here. The Farm Board has a tough job.

SAVINGS and loan associations in 24 states report on the home mortgage situation. The great variation in conditions is astonishing and illuminating.

FORD's new Los Angeles plant isn't lonesome; 110 new factories came to the city in 1929; its manufactures are a billion dollars a year. Business sees advantages in Coast branch plants.

MOTOR truck lines in Southern California merge, to offer "unified express service at freight rates," perhaps the first development of the kind.

CONGRESS seems willing to take constructive action to minimize unemployment. When business revives, will the subject be forgotten again?

NEW YORK adopts a pension law for the aged, eleventh state to join a movement of great social significance.

COAL men face foreign competition. Russia has sold 200,000 tons in New England; England plans shipments by way of Hudson's Bay.

INSULL interests are bringing natural gas to Chicago through a 950-mile pipeline—another step in the great development of gas; more business for Chicago steel plants.

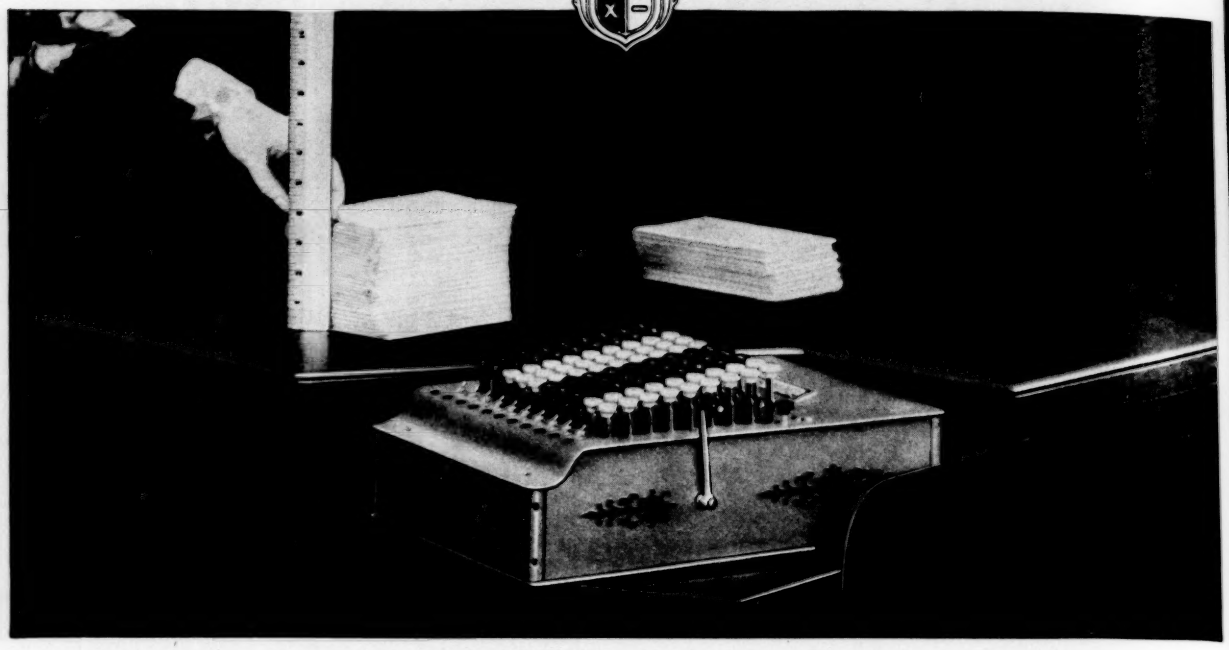
SURPLUS in the Treasury when the fiscal year ends is certain; its size is uncertain. Equally uncertain is the income tax rate for next year. It probably will be higher.

PRELIMINARY March statistics show little increase in general business over February, except in building, which is having a mild boom.

"BUY steel bodies, save the trees," Dodge Bros. advertise. "Nonsense! Forests will outlast iron ore—and can be regrown," retort lumbermen, and the war is on.

THE BUSINESS WEEK
A McGRAW-HILL PUBLICATION
Publishing Director—JAY E. MASON General Offices, Tenth Ave. at 36th St., New York City Subscription Rate $5.00 a Year

THE HIGH SPEED MACHINE FOR ALL FIGURE WORK



If you were putting machine figuring on a piecework basis—

WOULDN'T your first concern be to make sure of getting the right machine—the surest, swiftest and most dependable machine—the one with the greatest Speed-with-Accuracy capacity on your figure-work?

Nothing shows up the true economic value of any machine like piecework. Because, under that system all work must, of necessity, be measured to determine the remuneration.

With a definite measure of performance before you, there can never be any doubt about which machine to buy.

So, even though your figuring machine operators are not on piecework, why buy any adding-calculating machine without first finding out which one will turn out the most work in the least time?

Isn't it better to demand, before purchase, a measured production test of every machine considered?

The Comptometer accepts that test. Sound reason commends it.

Remember, too, that operating skill is an important cost-reducing factor in figure-work. Trained operators cost less because they do more and better work. That is why, through a chain of Comptometer schools, a dependable supply of trained clerks and operators is kept constantly at the command of employers—a service without charge.

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Only the Comptometer has the Controlled-Key safeguard

THE BUSINESS WEEK

The Journal of Business News and Interpretation

News of the week ending April 12, 1930

French Minister Drops a Bomb Into the Tariff Celebration

Direct hit on our spring automobile trade follows news that Chamber won't pass prohibitory rates

By Special Cable to The Business Week

ON Tuesday, the French Tariff Commission reported a bill which is a compromise between present rates and the prohibitive rates demanded by the French automotive industry.

On Wednesday, the French Minister of Commerce issued the startling instructions that, effective at once, tariffs on American cars should be based on French valuation instead of on invoice plus transportation costs. Arbitrary methods of determining French costs are prescribed which include local taxes and other charges whereby the present 45% duties are increased from 25% to 50%. Most important, the new rates take effect at once; were issued without warning.

His action makes it unlikely that motor vehicles now in transit to France for the spring trade can be sold profitably.

To make such important changes in tariff schedules without warning and without permitting affected parties to prepare for the changes is one kind of tariff revision of which the United States is not guilty.

Appraisal Goes on Specific Basis

The new tariff bill changes the method of appraisal from ad valorem to specific basis. It is expected to be passed shortly after, if not before Easter. This makes it impossible not to interpret as hostile the overnight change of valuation to prohibitive ad valorem rates. The reason for the change offered by Minister Flandrin, who is considered no friend to the United States, was that American exporters have been making fictitious customs declarations.

Under a recent agreement between France and the United States French treasury agents are empowered to examine books of manufacturers, and the French law provides heavy fines in punishment of false declarations. Instead of exercising these means for determining guilt, if any, and punishing the offenders, the Minister proceeds to punish the entire trade on an unsubstantiated charge of perjury. While there always has been contention over the proper basis for evaluating automotive imports, the American Embassy in Paris declares that it knows of not a single case where charges of false declaration have been substantiated.

New Bill Increases Rates

The unfortunate results which will arise from this executive fiat should not last long. When the new tariff bill is enacted within the next few weeks the uncertainty which has clouded the French automotive market will be dispelled.

Following a year's agitation and after having twice passed and twice revoked new schedules on automobiles and parts, the bill, as reported, will increase rates on completely assembled cars from 20% to 30%, on parts about 15%, on trucks only slightly.

With the method of appraisal changed from ad valorem to specific basis, the method of classification bears down particularly hard upon small cars, completely assembled, listing for less than $1,000.

While it will continue possible for American firms to do a profitable business in France under the new bill, their sales volume is likely to be considerably diminished.

Not Meant as Reprisal

In the face of demands from the domestic industry, and the tide of resentment raging against the American tariff, particularly in regard to lace, the French Tariff Commission has been eminently fair in its consideration of American claims, according to reports from those watching over American interests in France.

Impassioned arguments against prohibitive rates made by French Deputies called attention to the excess of French exports to the United States over those coming to France.

The French Government has stated that there was no connection between the new measure and the pending American tariff bill; that the French tariff bill was based entirely upon a desire to foster the domestic industry; that establishment of American plants in France would be welcome.

The Business Outlook

ON top of all its other troubles, business this year is being badly let down by Pope Gregory, who has postponed Easter three weeks. This may rush recruits to the cause of calendar reform, but it keeps customers away. A hothouse stock market, under the artificial sunshine of easy money, is doing its best to make up for a late spring, but outdoor business generally needs warmer weather before it will begin to bloom very vigorously. Building alone has felt the seasonal stimulus so far. Steel still fluctuates uncertainly around a level unseasonably low, though fair enough if we forget the past two years, when automobiles were less cautious and railroads richer. Electric power production, which *The Business Week* now adds to its list of weekly indicators, still lags behind its normal growth. Deficits below last year in non-bulk carloadings and commercial loans indicate delayed trade recovery due doubtless in part to a deferred Easter, but increasing check-money turnover and stronger commodity prices show that the spring freshets in the channels of commerce nearest the consumer are beginning to flow. Although a late financial frost and bearish brokers' loans figures may nip the bull market in the bud, it is probable that business will continue convalescence through the next two months. By fall, after a quiet summer, it should be feeling pretty good.

Australia Shows the World What "Protection" Means

Our trade cut as tariff practically prohibits imports of 80 commodities, rations 15 others

SERIOUS budgetary difficulties, growing unemployment, and increasing weakness of its foreign exchange have led Australia to undertake what its Prime Minister describes as "the boldest and gravest experiment in economics and finance in the world's history." The government is putting a practical prohibition on imports of some 80 commodities, rationing imports of about 15 others, and imposing a 50% super-tariff on them and others.

Prohibited "Down Under"

The prohibited imports include agricultural implements, radio sets, aluminum ware, cement, cast-iron pipe, iron and steel beams, barbed wire, and many agricultural or manufactured food products. The imports cut by 50% include manufactured tobacco, cigarettes, snuff, and locomotives. Additional duties of 50% over the present tariff are imposed on motorcycles, automobile bodies, chassis, cameras, phonographs and records, tires, refrigerators, paints, enamels and varnishes, hosiery, leather goods, boots and shoes.

This drastic action is being taken by a Labor government, partly in accord with a considered standing policy of promoting or speeding up internal industrial development of Australia and partly to correct a seriously unbalanced budgetary and international exchange position which has threatened Australian credit abroad. It is understood that the prohibitions will not be continued for more than a year or long enough to correct the exchange situation, and the government is undertaking to prevent drastic increases in domestic prices of the prohibited products so as to curb a rise in living costs.

Much Like Our Policy

The Australian tariff policy has been in many respects similar to that of the United States, in that its object has been to promote the transition from a predominantly agricultural to a more self-sufficient industrial country. She has attempted, however, to compress within relatively short period what it required 150 years for the United States to do. In consequence, along with a drastic protective policy there have developed in Australia most of the features of social legislation associated with the more advanced European industrial countries. An elaborate system of wage-fixing and arbitration, social insurance, and other forms of state control has been stimulated by the necessity of easing the strain of forced industrialization, with its high degree of labor union organization, instability of employment, and especially high internal prices and living costs. The price which Australia has had to pay in these ways for accelerated industrialization is generally recognized by Australians, but the benefits of industrial self-sufficiency have been thought worth the price. Her high protective policies have been a major obstacle in the way of all British plans for extending imperial free trade or cooperation, and the recent action of Australia is considered in England to have given these plans their deathblow.

Will Increase Branches

Incidentally, it gives our own foreign trade no trifling bump. Australia buys about $150 millions worth of our goods yearly, nearly five times as much as we buy from her, mainly automotive products, petroleum, electrical equipment, leaf tobacco, iron and steel, musical instruments, rubber, paper manufactures, and leather. But since one object is to force foreign manufacturers to establish branch factories in Australia, the 35-odd American concerns now operating in the country will probably be increased in number.

Labor ► **Washington Hears Employment Views**

UNEMPLOYMENT is receiving well merited attention in Washington. Two of the Wagner bills have been favorably reported to the Senate and are expected to be considered immediately. The third Wagner bill has the support of the Commerce Committee but action on it has been delayed to permit the National Association of Manufacturers to express its objections. The Senate Committee on Agriculture is holding hearings on the McNary bill to create a commission to study farm labor conditions.

The Wagner bills provide for the collection and publication, monthly, of unemployment statistics, and for the formation of a federal construction program to provide work in times of depression. The third bill sets up a system of federal employment agencies. Hearings on these bills have brought out few objections, excepting some claims that they do not go far enough. Prof. John Dewey, speaking as the president of the People's Lobby, asserted they were entirely inadequate; that federal unemployment insurance was essential.

A Labor Program

William Green, American Federation of Labor, and Norman Thomas, Socialist Party, emphasized the need for a 5-day week. Mr. Green pointed out that prosperity depended not only upon power to buy but upon opportunity to use as well. He said that $1-billion purchasing power was lost through unemployment during the first 3 months of this year. His program for adequate relief includes: federal employment services—met by one of the Wagner bills; employment counsel and vocational train-

KETTLEMAN HILLS FROM THE AIR

The great, new California oil field, halfway between San Francisco and Los Angeles, was brought in late in 1928. Since almost 60% of the land is in the hands of the larger companies, and the remainder under government control, there has been no stampede. Oil, so rich it must be diluted to make gasoline, reaches the surface at pressures unheard of in these fields. Gas is piped to the cities for household and commercial use

ing for workers displaced by technological changes; job analysis to give older workers a chance to work where they can do so efficiently; deferred programs of public works to care for cyclical depressions and unemployment—another requirement which is met by another of the Wagner bills.

The Merchants Association of New York agrees with Mr. Green that industry, itself, has the major responsibility in conserving labor and protecting it from periodic fluctuations in unemployment. The association has adopted a relief code which calls for avoidance of forced reductions wherever possible; speeding of repairs, renovation, and construction; use of workers for spring house-cleaning of plants and offices; working full force part-time instead of part force full-time; manufacture for stock within prudent limits.

Good Remedies —If Taken

THE National Association of Manufacturers and the National Research Council have recently completed a survey of public unemployment insurance. They find it not so good. Their report does not admit that there is a real unemployment problem; it maintains that, if one does exist, there are better ways of meeting it than governmental intervention.

Against state unemployment insurance, the report advances the arguments: high costs—citing England's dole-ful example; theoretical unsoundness of public insurance; rejection of all proposals offered in state or national legislatures; finally, that unemployment insurance would be but the first step in a complete system of social insurance, anathema to the sponsors of the present report.

Prefers Private Action

As alternative solutions the report suggests: industrial unemployment insurance; dismissal wages; stabilization of industry and employment; planned public works; a stabilized dollar; insurance through private companies; reduced taxation on industry; seasonal wage adjustments.

Many of these proposed remedies have been tried successfully—by a very small, intelligent minority of employers. Few proponents of public insurance deny the value of such other methods in alleviating unemployment; they merely maintain that it looks much easier to obtain governmental action than to prevail upon thousands of individual entrepreneurs to assume their full social obligations.

Social Workers Dubious

If the National Association of Manufacturers could prevail upon its many members to adopt industrial unemployment insurance, dismissal wages, or planned production, the unemployment problem would be greatly alleviated, the urge for governmental action would be decidedly weakened. But social workers believe that they can look only to governments for help in effectively improving the worker's position.

In this connection, it is worth while recalling William Green's testimony before the Senate Commerce Committee. The most conservative labor leader in the world, he does not make rash statements and promises. Therefore, when Mr. Green, after presenting a particularly distressing collection of unemployment statistics, stated that this country has three alternatives—definite and constructive action by employers to relieve and eliminate unemployment, government unemployment insurance, or revolution—he voiced a warning which deserves the most careful consideration of every business man.

Eventually, we must make the choice. No one wants revolution; some do not approve government insurance; but many employers still deal with unemployment just as Mark Twain's contemporaries treated the weather.

Sir Henri Deterding Comes Over to Fight It Out

IT takes news to get ship news reporters for morning papers to Quarantine at dawn. But they were promptly there last Wednesday. Not because the *Bremen* was a day late. Not because once again a skipper would say that never in his 50 years at sea had he seen such weather. No. They were there to escort a great man ashore. Most people know nothing about this man, but oil men and news men know him as the ablest, most powerful, most resourceful business enemy of the United States of America in existence. Unique is his prestige. No other business man has ever knocked us into a cocked business hat. Sir Henri Wilhelm August Deterding is here again.

A Great Fight Is On

No news grouch is Sir Henri. He must love Manhattan reporters as much as he hates the Standard Oil Company of New York. His beady black eyes sparkle as he gives and takes with the boys. And the news men love him back because he is never a hypocrite.

Ostensibly, officially Sir Henri had brought Lady Deterding to grace the elaborate ceremonial opening of a Royal Dutch skyscraper at San Francisco. Really he came to fight it out with the Standard of New York and the Vacuum about their invasion of India with "stolen" Russian oil. If they will leave him alone in India and China he may possibly cease bothering them in Socony-land. If they persist in annoying him in the East his reprisals will become more and more terrible. "You know, we are always ready for a good fight." "I can't help it if my competitors give oil away." "Vanity is behind price competitions." "I am, as you know, always awake." "You may safely bet ten to one that I'm not going to the Far East to run the market fight myself." Here, at last, is frankness.

Lady Deterding left her swarthy, chunky husband at his Broadway offices just as they opened for business. She swept uptown to visit other White Russian noblewomen who like herself had possessed wits enough to fly before the wave of torture.

Sir Henri went straight into a thick huddle with his tough henchmen. Where and how they faced the great enemy of 26 Broadway is not known. Nor is the result even suspected. But either way it will be historic.

International News

HOSPITALITY OR REPRISALS?
Lady Deterding steps ashore from the Bremen to be hostess to oil men at a San Francisco skyscraper-warming. But Sir Henri has more to do here than inspect a new Royal Dutch Shell building

Distribution ► **Retail Price Upheld By Court**

DISTRIBUTION people are startled to learn of a court decree establishing the maintenance of a retail price.

A consent decree has been issued by the U. S. District Court at Wilmington, Del., restraining the Gamble Stores and Gamble Skogno Inc. (100 stores in the Central Northwest states) from selling Weed Tire Chains below their retail list price. The American Chain Company petitioned the Court to stop price cutting and substitution of similar competing chains. Before the court passed on the case the Gamble interests agreed to desist from the practices complained of. The stipulation was accepted by the Court, and a consent decree issued enjoining the defendants from:

"Selling Weed Tire Chains at prices less than the current normal retail list prices at which Weed Tire Chains are sold by dealers to the public in territory where defendants maintain their retail stores and from advertising Weed Tire Chains for retail sale to the public at less than such current normal retail list prices;". . .

Then follow other clauses enjoining substitution of similar competing chains.

This decree is of especial interest to people on both sides of the price maintenance question. Its final effect is to give legal sanction and court authority for the establishment and maintenance of the retail price of Weed Chains. Since there is no appeal from a consent decree the matter presumably will stand as a legally recognized case of price maintenance without the necessity of the authority of the Capper-Kelly Bill.

Labor ► **Textile Mills Shorten Week**

THE 55-hour week for day workers and a 50-hour week for night workers go into effect in Georgia textile mills as a result of the unanimous vote by the Georgia Cotton Manufacturers Association. Acceptance of what President George A. Sloan of the Cotton Textile Institute called "the most momentous proposition ever to come before the textile industry" is expected to remedy overproduction and unemployment; to prevent excessive overtime and to balance operations.

International Newsreel

FIRST IN AMSTERDAM

This 24-story skyscraper, first in the old Dutch city, will be used largely for banking. The top stories have been leased by the Vlaamsche Club

Automotive Industry Finds 1930 Better Than Normal So Far

THE automotive industry seems to be doing as well as can be expected, considering the uncertain domestic situation and the sudden slump in foreign markets. The National Automobile Chamber of Commerce estimate of March production at 400,000 cars and trucks indicates a first-quarter total of 1,023,000 units. While this is about 35% below 1929, it is greater than first-quarter output in either 1927 or 1928, both years when business was good, if not up to 1929.

Sales figures covering 35 states indicate that nearly 35% more cars were sold in February than in January, only about 7% less than in February, 1929. These figures are particularly encouraging in view of the fact that this year has seen less building up of dealer-stocks than ever before. Under present conditions, a sudden rush of buying with appearance of fine weather will result in many buyers having to wait for their new cars.

Export trade has fallen off considerably. January foreign shipments of automotive products were valued at $31,167,000; $4,000,000 more than in December but $16,000,000 less than in January, 1929. February car and truck exports, exclusive of foreign assemblies for which no figures are yet available, were 26,150 compared with 53,848 a year ago.

Low-priced cars are getting the domestic business. Ford and Chevrolet production during January and February made up 65% of total; last year their first two months' output was but 56%. Ford output is about 8,500 per day compared with 8,600 last year.

Chevrolet is only slightly behind its 1929 rate. Other makers, particularly in the higher-price classes, are operating at anywhere from 30% to 60% of 1929 schedules.

Hupp in March, 1930, produced 3,212; in 1929, March total was 4,316. Oldsmobile-Viking turned out 7,676 last month; 13,000 a year ago. Reo's output of 2,870 last month was well under the 4,611 of March, 1929. Buick-Marquette produced 8,760 this year; 15,206 last. Studebaker is operating at about 65% of 1929 rate; Nash 35%; Willys-Overland 30%.

1929 Just Too Good

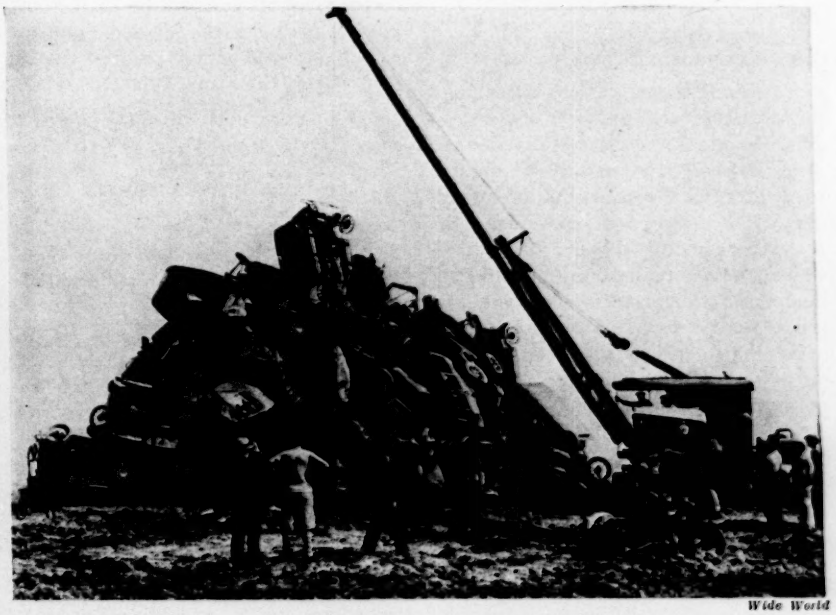
A final word should emphasize the fact that comparisons with 1929 are, perhaps, odious. That year's activity was far above normal; no one expects to beat —even to equal—it for some time. Compared with the more nearly normal years of 1927 and 1928, 1930 starts out like a fair average year for the industry, on which stock market crashes, general business depression and other sobering factors seem to have less influence than in many other lines.

Lumber ►

Wood Meets Steel In Head-on Crash

SEVERAL lumbermen's organizations have started a campaign of reprisal against Dodge Brothers, who have been sending out publicity and advertising characterizing the use of all-steel automobiles as an important aid in forest preservation. The Lumbermen's Club of Memphis, Tenn., taking the lead in the fight, has adopted resolutions declaring vigorously that "it ain't so," and emphasizing the need of husbanding our exhaustible supplies of iron and steel by making all possible use of wood.

The lumbermen argue that a general adoption of such a policy as Dodge Brothers advocate would tend to discourage timber land owners from attempting reforestation, thereby leading to timber waste and, in the long run, would reduce rather than increase the supplies of timber. They cite government estimates that the present timber supply is adequate for several decades, with re-growth taking care of the demands after that. As a clincher to their argument, they quote the Federal Trade Commission as having said that our iron ore is being used up so rapidly that it may become practically exhausted within 15 or 20 years. Moreover, the lumbermen claim that composite automobile bodies constructed with wood frames have been shown by tests to be superior to the all-steel bodies.



Wide World

TAKING THEM FOR A RIDE

Long Beach, California, sets a good example in the campaign to get the old cars off the highways. Condemned as unsafe, these old rattletraps will burn

Advertising ► **Laundrymen Wash Out Radio**

BEFORE the Association of National Advertisers got a chance to start its announced investigation to determine what kinds of radio advertising are respectively good, bad, and indifferent (*The Business Week*, April 9), the Laundry-owners' National Association of the United States and Canada decided that its current campaign was, at most, indifferent. After a trial program of 26 weeks, its leaders have handed in an adverse verdict on the basis of returns to date. One disgruntled laundry-owner says that listeners who dial in musical entertainment as a background for the evening's light reading turn sour when reading and music are interrupted by "publicity messages." The association plans to increase its magazine coverage as soon as its broadcasting series has run its course.

Pacific & Atlantic

THEY DON'T LIKE THE TARIFF

The lace workers of Calais, France, assembled in the Place Crèvecoeur to form a protest parade against this country's high tariff on lace, which, they claim, will ruin the district

Textile ► **Tubize-Chatillon in "Research Merger"**

FIRST importance of chemical research in the synthetic textile fibre industry is shown in the merger of Tubize Artificial Silk Company of America with the American Chatillon Corporation, now being completed. Consolidation is primarily to make possible more extensive research, but it also places under one head manufacture by three of the four chief processes now in use, and gives a spread and diversification in products not previously had by either company.

The Chemist All-Important

Textile and chemical engineers point out that the artificial silk industry is youthful and in a state of flux. A small army is engaged constantly in research to discover new methods of improving the fibre. Under such conditions, the research laboratory becomes the mainstay of the manufacturer who would not be swept out of business overnight. The small producer, with limited resources, is under a severe handicap. Hence mergers of this type, principally for research purposes, are inevitable.

The four chief processes now used are the viscose (rayon), the cuprammonium, nitro-cellulose, and cellulose acetate. Tubize at present uses the nitro-cellulose and Chatillon the viscose and cellulose acetate processes. Acquisition of a company using the cuprammonium process is probable.

A novel feature of the consolidation: the entire funded debt of the Tubize-Chatillon Corporation is covered by the $2 millions in first mortgage bonds recently issued. They are secured by a first lien on 471 new brick residences, together with land and streets utilized for housing the company's employees at its new plant in Rome, Ga. They are the direct obligation of the firm whose total tangible assets amount to $23,935,000.

Prior to the merger, Tubize ranked as the third largest domestic producer of rayon yarn (9,000,000 pounds); Chatillon's estimated output (1930) is 6,500,000. Thus the total for the merged corporation this year will be 15,500,000. First in output is the Viscose Company with 70,000,000 pounds; second, the Du Pont Rayon Company with 27,000,000.

Freight ► **Motor Truck Lines In Huge Merger**

CONSOLIDATION of companies doing 60% of the motor freight business of Southern California has just been effected with the organization of Pacific Freight Lines, Inc.

The new corporation has 33 transportation companies owned or under option; when completed will control 90% of the motor freight traffic of Southern California and a large share in the rest of the state; will represent a total investment of $50 million. Lines now owned: Pacific Tank Lines, Inc., operating tank trucks from the oil fields to refineries and thence to distributors; four freight companies serving 84 communities within 240 miles of Los Angeles. The present fleet is 300 trucks; eventually will have 1,000.

Consignments are picked up at the close of the business day and delivered early the following morning. Refrigerated trucks carry agricultural and dairy products to Los Angeles from the Imperial and San Joaquin Valleys; return with manufactured goods, fresh meats, canned and package goods.

Rates on motor freight lines are lower than railway express, and generally less than railway freight plus cartage costs. Twice daily service over 1,027 route miles is rendered.

Pacific Freight Lines, Inc., is owned in full by United American Utilities, Inc., investment holding company which also has a large interest in Eastern States Public Service Corporation. A. E. Fitkin & Co. engineered the consolidation.

A. V. Wainwright, president of United States Engineering Corp., management company for United American Utilities, calls Pacific Freight Lines "the first completed development in the unification of motor freight lines to render express service to customers at freight rates." California is peculiarly suited to this sort of transportation, he believes, because its mountainous topography greatly limits railway service.

Metals ► **Soviet Miners Hire Cleveland Adviser**

STILL another American concern lends its aid in the industrialization of Soviet Russia. Oglebay, Norton & Co., Cleveland iron mine operators, have contracted to furnish advisory engineering

service to cover all Soviet iron mining activities. The company will send expert mining and metallurgical engineers to Russia to supervise mining of iron ore and its handling until it reaches the blast furnaces.

The contract runs two years with provision for indefinite renewal. Iron ore will go to blast furnaces where Arthur G. McKee Co., also of Cleveland, will supervise its reduction to pig iron. Some of the iron, at least, will then go to Austingrad, the model automobile manufacturing center, designed and built by a third Cleveland concern, Austin Co.

The ore business of Oglebay, Norton & Co. was established over 50 years ago. The first shipments of ore from Mesaba and Gobetic ranges were made by H. B. Tuttle & Co., an Oglebay predecessor.

Textile ► **Government Fund To Aid Research**

RESEARCH much in demand by the textile industry is apparently within reach as a result of the House's action this week in passing a bill creating the Textile Foundation and appropriating $2,000,000 for its activities. No serious opposition is expected in the Senate.

The bill provides that the Textile Alliance, a corporation formed immediately after the war to protect the American textile industry in purchases of dyes, should pay to the new foundation the $2,000,000 which it was supposed to turn over to the government. The alliance was not designed to make money, but through its dealings immediately after the war to prevent demoralization of the dye market, it actually came out $2,000,000 to the good.

The foundation would be directed by a board consisting of the Secretary of Commerce, the Secretary of Agriculture, and three persons familiar with the textile industry to be appointed by the President for terms of 2, 3 and 4 years.

Comments of textile leaders: The fund should be kept intact. Its dissipation by allotment to textile schools, governmental agencies and other research organizations, no matter how worthy individually, would defeat the purpose of the plan. The fund should be devoted to fundamental technical rather than economic textile research. Ample provision for the latter has been made by various branches of the industry through well-organized and adequately-financed institutes. Knowledge of the existence of this fund should not be used as a sedative. It represents a nucleus for a continuing program to eliminate the term "backward" from discussions of the industry.

Farm Board Battles With Wheat As Carry-over Gluts Market

CHIEF Farm Board worries now are about arrangements to store and dispose of the old wheat crop and keep the new one down.

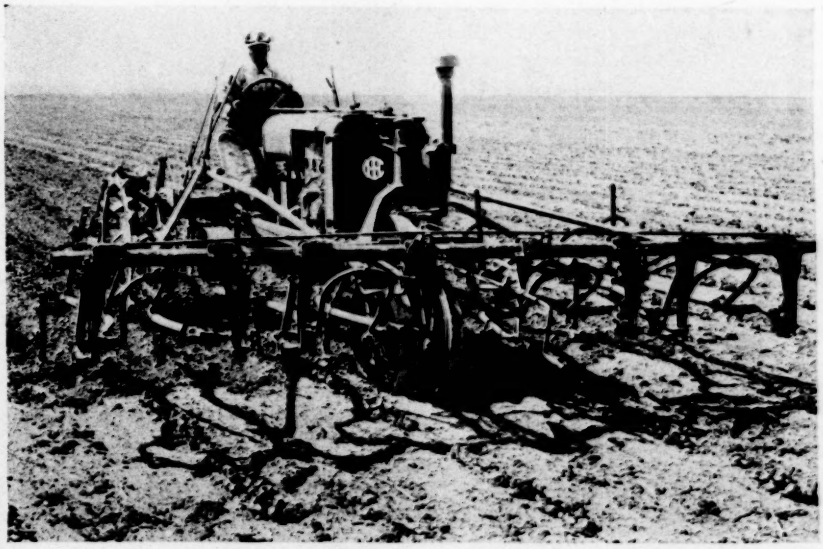
This week, actual stockholders of the Farmers National Grain Corporation meet in Chicago to decide whether they want to accept the Farm Board's invitation to take the affairs of the corporation out of its hands. The Farmers National has been managed by a board of directors representing leaders of various cooperative grain marketing associations. The Farm Board has really been running it and now wants to step out of the picture if it can. It probably won't be able to, at an uncomfortable time like this. Something drastic has to be done to take care of the present wheat carry-over, which is reported as beginning to spoil in Chicago elevators and must be marketed to provide elevator space for the new crop. The Grain Stabilization Corporation is trying to arrange with millers to utilize their storage space now idle at this season and to export large amounts of wheat in the form of flour.

Railroad and grain people in the Northwest are afraid farmers may be forced to dump much of their wheat on the ground, and railroads may have to place embargoes on shipments when the new crop starts to come in in July. Storage facilities in warehouses at terminal markets and country elevator points are congested and Great Lakes vessels usually available to move wheat when navigation opens about April 15 are already loaded with wheat stored during the winter. Railroads are able and glad to handle crops, but terminal congestion makes it impossible to move wheat if there is no place to put it.

Oriental Outlets Proposed

Exportation to the Orient is being urged because European importers are not in the market and European resistance to wheat imports grows stronger. The proposal to export the surplus as flour has raised a British report that Snowden, in drawing up his new budget, contemplates making it compulsory for British bakers to use a certain proportion of flour milled from British wheat. Excepting Denmark and Holland, Great Britain is the only European country still allowing free importation of flour. Empire wheat producers, Canadian millers, and British bakers are alarmed over the Snowden plan, and a recent increase in British bread prices has aroused popular resentment.

The Australian federal government has agreed to a definite guarantee of about a dollar a bushel for wheat to the wheat marketing pool. The French Chamber has approved a bill to establish



COTTON "FACTORY"

One Mexican laborer, piloting a row-crop tractor, planting and cultivating four rows at a time, handles 200 acres of cotton on J. E. Garrett's 8,000 acre ranch near Corpus Christi, Texas. Cost: 9c a pound. The average negro family, on a share-crop basis, works only 15 to 20 acres

a huge government grain reserve to stabilize the market. Considerable quantities of southern Russian wheat have reappeared at Liverpool and in the Italian market, offered at low prices.

Reports of drought affecting the winter wheat crop have sustained the market here, but the condition of the crop is generally satisfactory and prospects are for a bumper output. The crop in the most important producing countries in the northern hemisphere appears in generally favorable condition and better than last year. European acreage appears to be fully as large as last season.

Consequently, the Farm Board is concentrating on its intensive campaign to cut the spring wheat acreage. Dr. John Coulter, economist of the Tariff Commission, loaned to the Farm Board for a few weeks, is in St. Paul urging Northwest wheat cooperatives to persuade their farmers to reduce the spring wheat acreage by about 2 million acres and devote that much to flax, barley, rye, oats, and hay. The Farm Board has agreed to finance the necessary seed for these crops in exchange for seed wheat. The Department of Agriculture admits farmers are planning to plant about as much as usual except in the so-called "macaroni" or durum wheat, largely exported.

Reduction in Cotton Acreage

Cotton acreage reduction campaigns are thought to be making more headway. Estimates of the cut range from 4% to 8%. Reports of the New Orleans Cotton Exchange indicate fertilizer sales in 9 cotton states during March about 250,000 tons less than last year. This suggests that some reduction in acreage is likely.

Probably the Farm Board does not expect much result by way of production control this year. Stronger cooperative organization is a prerequisite and has not had time to develop. For next year the board is working on plans of control by restricting production credit through the co-ops, which it hopes will be stronger by that time.

Finance ► **To Make Study Of Money Market**

A BROAD investigation of the money market or markets in the United States has been announced. Work will be under auspices of the Harvard Economic Society. Dr. George E. Roberts, Sr., economist of the National City Bank of New York, will be chairman of the committee. Other members will be announced soon, and the first meeting will be held late in April. Definite plan of procedure will be drawn up at that time.

Chicago Business Improves; Department Store Sales Up

BUSINESS in Chicago is improving.

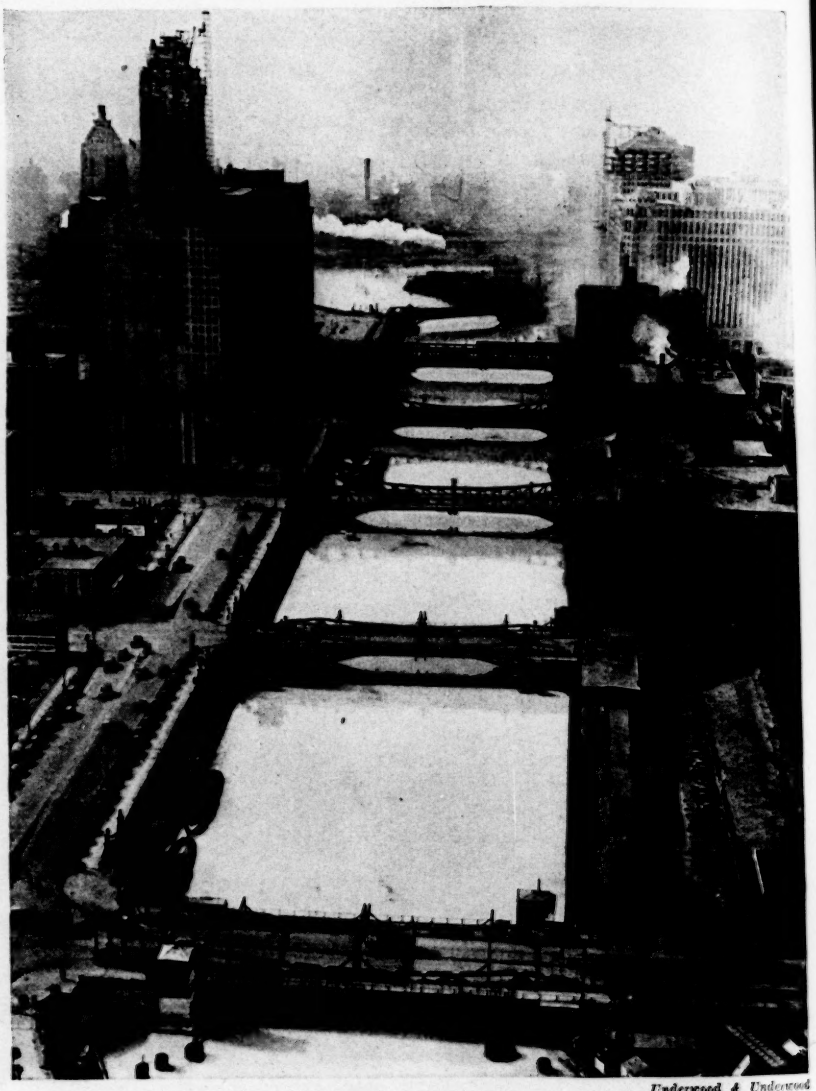
Steel mills in the Chicago area have been running above 90% capacity for several weeks. Employment offices in Gary are busy. Work on the 2,500,000-ton plant extensions announced late last year (*The Business Week,* December 11) is definitely under way, with large numbers of men employed both at South Chicago and Gary. E. J. Buffington, president, Illinois Steel Co., says:

"I see no reason to doubt that the remainder of the year will see a fair volume of demand in accordance with the usual seasonal requirements."

Chicago plants are strategically located for making steel for transcontinental pipelines, the new fuel transportation system now under construction so aggressively—a reminder of the era of railroad building that brought the big boom after the Civil War.

F. E. Williamson, president, Burlington Railroad, reports: "At the low point reached in the middle of February our loadings were 12% to 14% under a year ago. Now they are about 7% under. Improvement is in excess of the normal seasonal trend."

James Simpson tells *The Business*



Underwood & Underwood

SIX CHICAGO BRIDGES

Looking west, we see the State, Dearborn, Clark, LaSalle, Wells, and Franklin Street Bridges over the Chicago River. In the right background, part of the huge Merchandise Mart

LOS ANGELES, 1930

Week that he sees a steady improvement in Marshall Field & Co. business. On Tuesday, April 1, for instance, opening day of the second quarter, sales at the main Chicago store exceeded those of the same day a year ago.

Mandel Brothers' 75th anniversary sale, March 24 to April 2, was "quite a satisfactory event," Mr. Leon Mandel states. "Despite the blizzard and despite the fact that Easter came in March last year, we had a bigger March business this year than last."

Other department store heads speak encouragingly, especially of April prospects. One explanation is that they have been out after business.

Newspaper lineage shows the Chicago *Tribune,* though total lineage is down, has carried slightly more department store advertising this year than last. Total magazine lineage shows less slump.

In Cook county (Chicago) January automobile sales were more than double those of December; in downstate Illinois, nearly triple. In February, Cook county sales were 1% under last year; in downstate Illinois, greater than any February in history; Illinois registration of new cars in February, 13,678, was only 13 cars under last year's. In March, when business was tied up for several days by the big blizzard, sales were less than last year. Ford sales were 21% up, even though others were 31% down. Total for the state: 20,939 against 25,252 last March.

Ford Plant One of Many New Los Angeles Industries

FORD'S new $3 million assembly plant and dock at Long Beach, Calif., began operations early this month; annual capacity 7,500 cars and trucks. The plant will employ 2,500 men. For the time being production will be absorbed by Ford's 200 dealers on the Pacific Coast; later it will be utilized in exporting to Latin America and the Far East.

This is one more step in the amazing transformation of Southern California from a "tourists' paradise" into an important industrial community. Los Angeles has risen among manufacturing cities from twenty-sixth to eleventh in thirteen years.

In 1900, Los Angeles had 102,497 population and a few factories producing $15 millions in goods a year. In 1927 the value of the city's manufactures was $610,166,093. For the county the 1927 figures were $980,334,123, which mounted in 1929 to $1,096,000,000, with 4,215 industrial plants employing 104,000 wage earners. The payroll was $160,000,000. Population ignored all precedents for growth and ran wild. Estimates now place it at 1,250,000.

5000 New Workers Yearly

Manufacturing activity is increasing at the rate of 5,000 employees, $7,500,000 in wages, and $50,000,000 in additional output every year. During 1929, 110 new factories came to the city. Plants costing from one to $10 millions built during the past two years: Samson Tire & Rubber, Pacific Goodrich Rubber, Firestone, Willys-Overland, Ford, Willard Storage Battery, Continental Can. In 1929 alone $10 millions was spent for new plants and $16 millions for expansion. Procter & Gamble and Pittsburgh Plate Glass are building $5-million plants, and Crane Co. and National Lead Co. have announced factories to be constructed. United States Steel and Bethlehem Steel bought large existing mills in 1929.

The Pacific Coast, so far from Eastern industry, calls for branch manufacturing, which grows up behind the freight tariff wall. The climate, as Californians sometimes reluctantly admit, helps.

First, it is responsible for the great agriculture of the ten counties of Southern California. It was also the direct cause of bringing the motion picture industry to Los Angeles. The movies employ 30,000 men and women on payrolls totalling $82,000,000.

The U. S. government gives Southern California credit for 32% of the aviation activity of the entire country. The reasons, good flying conditions throughout the year; great distances between important cities. Los Angeles County has 55 airports and landing fields, 11 main air transport lines, 17 factories building planes, 10 more building motors.

Factories Follow Crowds

For manufacturers, the mild climate cuts heating costs, permits less expensive construction, avoids transportation difficulties. It is also a factor in providing an abundance—sometimes an overabundance—of high class labor. Moreover, the annual influx of tourists means an income of $340 millions to Los Angeles alone.

By water through the Panama Canal, Los Angeles is from two to ten days nearer the Atlantic seaboard and European and South American markets than other Pacific Coast ports.

Mountain streams provide industry with cheap hydro-electric power.

Oil was discovered in California in the '80's, but its phenomenal development started in 1922. It now brings Los Angeles County $114,835,988 yearly in direct income, besides fostering the growth of the largest metal trades industry west of Chicago.

Retailing ►

Chain Shops Still Specialty Shops

A NEW idea in the field of dry goods chain store merchandising is seen in the National Nic Nac Stores, Inc. located in a suburb of Los Angeles.

G. L. Veatch, president and general manager of the Nic Nac system, has grouped several specialty shops together in one location with a central cashier system. The chain now consists of 5 groups in suburban Los Angeles.

The shops comprise: dollar store, infants' wear, men's accessories, bootery, home furnishings, hosiery, and children's outfittings.

Self-service and no-returns are key policies of the system which, Mr. Veatch claims, saves 8% over other dry goods retail methods.

The individual Nic Nac shops have all the appearance of individual specialty stores—their fronts are varied and the interiors are patterned to meet the requirements of each line.

Railroads Join Pullman Company In Drive to Fill Empty Berths

REDUCTION of 22% in rates for a section (lower and upper berth) announced this week by the Pullman Company brings to light the fact that Pullman car travel is suffering the worst slump in 5 years. Even with the usually heavy volume between important Eastern centers, total business is only sufficient to give an average of 11.65 passengers for each Pullman car.

In 1925, the company had an average loading of 13.43 passengers in the 8,200 cars operated. Last year, the decrease to 11.66 passengers in 8,842 cars awakened the traffic and merchandising officials in the quaint old building nestling between tall neighbors on Michigan Boulevard, Chicago, to the need for an active sales campaign. It brought the total drop for the last 4 years to 2 million revenue passengers, or 6%, with a decrease in net car revenue from $12,523,000 in 1925 to $9,185,200 in 1929. Only its manufacturing business enabled Pullman to show a gain last year.

Lower Berths Only

Sleeping cars, of late, have been running with lower berth passengers only; drawing rooms and compartments have sold only on the trains catering to the more affluent type of patron. Parlor car lines have been maintained on routes which could not support them. The Pullman Company is beginning to feel the losses sustained by the railways themselves.

Pullman cars are operated on a contractual basis with the railroads. Contracts are confidential, but it is understood the average agreement is an annual guaranty of $9,000 earnings for each car which the two parties split on a pre-determined basis. Some cars, however, do not earn their quota and Pullman evidently believes more liberal contracts are needed.

Roads Equally Worried

Railroads are equally concerned. To guarantee a definite annual sum for each Pullman car and to have the lines fall short, entails a drain upon the railroad which frequently finds it necessary to maintain Pullman service on non-paying routes. Bargain rates are to be tried.

As a move toward filling now-empty upper berths and, at the same time, offering patrons something new in transportation, the Pennsylvania installed joint motor bus and rail service between New York and Chicago or St. Louis (*The Business Week*, March 12, 1930). Passengers travel by bus during the day and in upper berths at night. The combination fare is about the same as the straight rail rate (without Pullman).

The next problem is to sell more rooms. The long, gaping row of empty rooms in the average compartment-drawing-room car, or the unused drawing-room at the end of a section sleeper, represents lost revenue.

In the East and South a passenger must buy two railroad tickets to have exclusive use of a compartment (upper and lower) or a drawing room (upper, lower and sofa). In the West, only 1½ rail tickets are required for compartments; two for a drawing room. More liberal terms to stimulate the use of rooms is expected.

Railroads ►

Luxury Tempts Europe to Travel

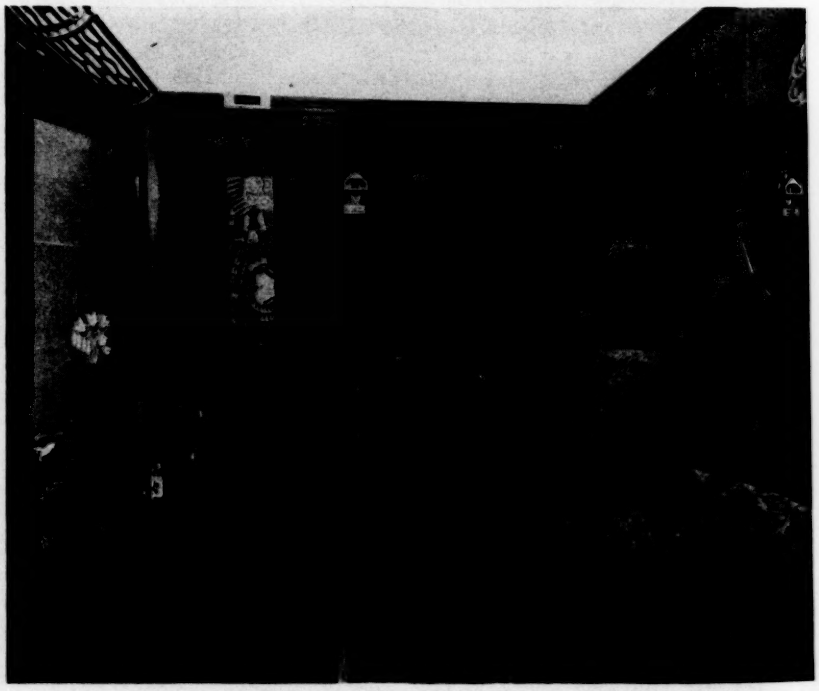
MERGER of the Campagnie Internationale des Wagons-Lits et des Grands Express Européens with Thomas Cook & Son has been followed by striking improvements in travel facilities abroad. De luxe day trains now cover distances as great as 680 miles between dawn and dark; shower baths are provided on trains making especially long runs; American-style club cars have been introduced. America's half million tourists and business travelers this year will be tempted in 166 carefully organized European offices and in another 174 scattered around the world, to buy this improved service, will find little of American luxury lacking.

Pullmans for Arabian Nights

Under schedules just inaugurated Bagdad is brought within eight days of London by sleeping-car trains. On the Simplon-Orient Express, a daily train between Calais, Paris, and Constantinople, with cars for Bucharest and Athens, certain cars are now equipped with baths and showers. Similar equipment is being added to sleeping-car trains on other long international runs.

Because of the popularity of all-steel second-class sleeping-cars recently introduced on three long runs in France, a new series is now being built, will be ready for the summer tourist traffic. These cars will have 11 two-passenger compartments with interior decorations entirely of steel.

In December the first train on the Paris, Lyons & Mediterranean made the 680-mile run in a day. The run is made at an average speed of 48 miles an hour and covers the entire distance between



NEW SLEEPER DE LUXE

First-class compartment on the Côte d'Azur Pullman Express. This famous "Blue Train" has been redecorated by leading French artists in anticipation of increased tourist trade

Pacific & Atlantic

BIG JOBS

Edward W. Beatty, who has the biggest private job in the world, that of president of the Canadian Pacific, calls on Herbert Hoover, holder of the biggest public job

Paris and Nice in 14 hours and 10 minutes. The express is made up of a particularly comfortable and luxurious new type of parlor car built for, and operated by, the Wagons-Lits company.

For the first time in Europe, this train carries a club car similar to those on American solid Pullman trains, with magazines, smoking accommodations, and drink service, also a high-grade phonograph. The principal motif in the interior decoration of these new parlor cars is pressed glass paneling of the Lalique variety. Individual seats are readily adjustable to various positions as required by the passengers. Each car is separated into two large compartments. As in the United States, passengers pass along a central aisle.

Utilities ► **State Taxes Take 10% of Revenue**

ELECTRIC light and power companies pay an average of 10% of their revenues in state taxes, a survey completed this week by *Electrical World* reveals.

Assessments are levied largely on a basis of property values. Capital turnover in the industry is small: to produce a dollar of revenue requires an investment of five or six dollars. The ratio of taxes to revenue is, therefore, large. In Massachusetts, for instance, 12% of revenue goes for taxes; in New Jersey, 11%; in Wisconsin, 10.9%. Lowest percentage (6.6%) is found in Nevada and Virginia.

Government Now Expects Surplus But May Increase Income Tax

THE Federal government will close the fiscal year June 30 with a surplus. President Hoover, after conferring with the Treasury, says it will be "very moderate." Other estimates place it all the way up to $100,000,000—despite the stock market crash in 1929, the following business recession, and the increasing costs of government. The Treasury is minimizing estimates of surplus because of their uncertainty and because large estimates always tempt Congress.

The end of the first three-fourths of the government's fiscal year showed the Treasury with a surplus of $109,941,000. This compares with a surplus of $60,060,094 at that time a year ago. The gain is due to the unexpectedly good showing of income taxes.

Events in the remaining 2½ months of the fiscal year will determine whether this surplus is to grow or decline. The President recently signed an unusually large public buildings appropriations bill—$300,000,000. The Farm Board recently got an appropriation of an additional $100,000,000 and may need more. Other outlays are in prospect. Many, however, will have little effect on the Treasury's position at the end of June.

Government spending moves slowly, although it is as certain as the tides. Time needed for specifications, planning, contracts, and organization will prevent heavy expenditures on building before the fiscal year ends. The Farm Board lends especially for marketing of products. Its next period of heavy expenditure will come with the next crop season, after June 30. Moreover, these expenditures can be met by issue of bills and certificates, to be merged into the public debt refunding and refinancing program, so that their effect on the Treasury will be long deferred.

1930 Tax Reduction Uncertain

The continuation into 1930 of the income tax reduction allowed for 1929 is a matter of much uncertainty. Tax payments for 1929 are expected to hold up well, but tax payments for 1930 are viewed with less optimism. Business for the first quarter was definitely unfavorable. Some, but not vigorous, signs of pick-up are in evidence at opening of the second quarter. No decision is likely until fall, but some increase from the 1929 rates now seems probable.

Final figures for income tax payments in March showed $559,503,000, compared with $601,363,000 in March,

Wide World

ROADS WILL HELP BUSINESS

Representative Cassius C. Dowell of Iowa, chairman of the House Roads Committee (left) and Senator Lawrence C. Phipps of Colorado, chairman of the Senate Roads Committee (extreme right) go to the White House to witness the signing of the Federal Roads bill by President Hoover

1929. For 9 months of the fiscal year income tax payments total $1,812,137,844, well above the $1,686,564,600 for the corresponding months of the previous fiscal year. Miscellaneous tax receipts also are higher at $466,520,240 than the $450,592,000 in the previous period.

However, the decline in foreign trade is cutting customs duties markedly. Total for the nine months was $422,037,000, lower by $29,000,000 than the total for the 9 months of the preceding year. The March decline alone cut customs duties $13,000,000 below March a year ago.

Net ordinary receipts of the government for the period totaled $3,042,150,000. This is an increase of $115,000,000 from the preceding year. Total expenditures for the first nine months of this fiscal year were only $65,000,000 higher, reaching $2,932,209,000. This accounts for the fact that the surplus now is higher than at this time last year. It also shows that President Hoover is making progress in his program of economies.

BOTH RAILROAD PRESIDENTS — International Newsreel

Patrick E. Crowley (left) of the New York Central, and General W. W. Atterbury of the Pennsylvania system, as they appeared before the Governor's committee in Boston. Between them they control major lines in New England. New Englanders object

Coal ► British to Ship Into Northwest?

FOREIGN competition for domestic anthracite producers again appears on the horizon. After recovering from the shock caused by shipments of some 200,000 tons of Russian anthracite to Boston and other New England ports, harassed coal men are shivering over a threatened invasion of British coal in the northwestern section of this country and Canada via Hudson Bay.

Although it was originally reported that Russian anthracite is selling in New England below the domestic price it now appears that such is not the case; that the price is approximately the same for both foreign and domestic. For one grade, the price of the Russian product is said to be $1 a ton more.

Russian anthracite comes mainly from the Donetz Basin in the Ukraine which produced three-fourths of the country's 1929 output (40,000,000 metric tons). American production was 80,000,000 tons. Last year a total of $80 millions is said to have been invested in construction and improvements for Russian mines. Three American firms are assisting the Soviet coal industry (Stuart, James & Cooke, Roberts & Schaefer, Allen Garcia Company). Approximately 600 coal cutters used in the Donetz area last year were imported from the United States. Workers in Russian mines now receive 70 rubles a month ($35) in direct wages.

Besides having the Russian "invasion" of New England on their minds, domestic anthracite operators are apprehensive because of recent rumors that Canada and Russia will carry on a balanced trade of coal and wheat now that the railroad to Port Churchill on Hudson's Bay has been completed.

Even progress with the proposed improvement of the St. Lawrence waterway is a cause for worry to U. S. producers. Waterway advocates have been so profuse in describing what they consider the merits of the undertaking, that the attention of British coal interests has been directed to it. As the waterway is improved there is a possibility that an opportunity will be afforded foreign cargo vessels of large capacity to bring coal to the entire Great Lakes region.

Gas ► Chicago Lines Lead To Industrial Gain

FOUR trillion cubic feet of gas from the Texas Panhandle, largest gas area yet discovered, is scheduled to start pouring into Chicago within 12 months, through a 950-mile pipe line. Insull, Son & Company, Inc. announce preliminary negotiations completed. In terms of deliverable heating service, four trillion feet of natural gas is equivalent to eight trillion feet of 540 B. T. U. gas made from coal. At 1929 rate of consumption, this is a 90-year supply for Chicago.

Henry L. Doherty & Company will build the pipe line. Ultimately at least two 24-inch mains are to be laid. The single main, now projected, will transmit 100 million feet daily. With compressor and pumping stations and other auxiliary equipment, its cost will total $30 million to $50 million. Peoples Gas Light & Coke, an Insull Company, and other firms now supplying gas to the Chicago area will be the distributing agencies. In order to protect present investment in producing plants, they plan to mix the natural gas with coal gas before sale.

Associated with Insull interests in the project are Cities Service Company (Doherty), Texas Corporation, Phillips Petroleum, Skelly Oil, Columbian Carbon Company, and Standard Oil of New Jersey, owners of either land or leases in the Panhandle gas field.

Aggressive efforts to build sales of gas for house-heating, hotel and restaurant uses and for industrial plants are now being made wherever natural gas is piped. The fact that some 70% of total house-heating installations are in three states served by natural gas (Ohio, California, and Oregon) is held to indicate what possibilities there are once cheaper and more efficient natural fuel is made available.

As yet, only 2 billion of the 40 billion feet sold in Chicago by Peoples Gas is used for house-heating. Six billion feet goes to industry; the International Harvester Company uses 1 billion.

The steel industry watches these new developments smilingly. Large pipe lines consume much more steel per mile than do railroads. A. O. Smith Corporation, Milwaukee, leading pipe makers, are now steel's largest single customer, taking about 2% of the entire national production.

Sheet & Tube Fight Rouses Hatreds that May Last Long

BATTLE over the control of Youngstown Sheet & Tube is likely to have repercussions far beyond the borders of Ohio. It may bring about realignments of great industrial interests; its effects upon prices of steel and of steel stocks may be considerable. Already it has shattered many old friendships of Middle Western financial and industrial groups. Evidence that Cyrus Eaton is being supported by the Mellon and, passively at least, by Rockefeller interests; that correspondents and bond salesmen of National City Bank and Guaranty Trust Co. are campaigning actively for Bethlehem, indicates the wide flung influence of the fight.

A Fight to a Finish

The Eaton group obviously has been determined all along to battle through to a final knockout—to carry on the fight in the courts on any one of half a dozen protests which have been formally entered.

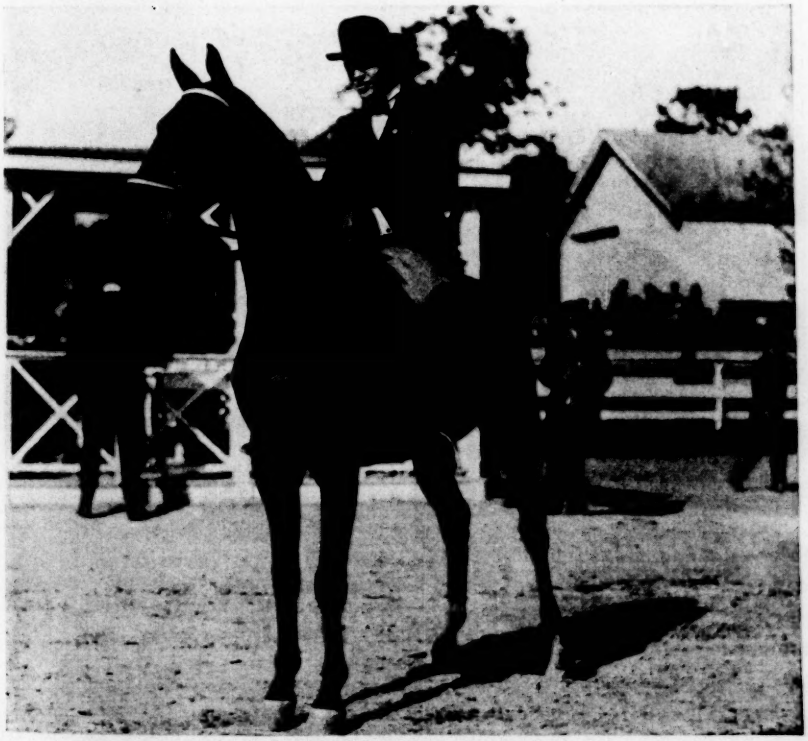
Eaton's immediate objective was to prevent voting of 51,039 shares of Sheet & Tube stock, purchased by Otis & Co. after the books closed on March 22. Stock not voted is as good as voted for Eaton. The strong fight waged over these shares indicates that Eaton did not have the 395,000 shares necessary to block the merger when the books closed but had since bought stock from persons who had already pledged it in favor of the merger. In buying them he probably had advice of counsel, that they could not, in equity, be voted for either side. Eaton's investment of about $7,500,000 in this stock on the chance that the courts would support his belief indicates the boldness with which he carried on the fight.

Testimony during various hearings was interesting. James A. Campbell, chairman of Sheet & Tube, related how he had told Eugene Grace of Bethlehem that he wanted a merger of the two companies because Eaton was trying so hard to collect Sheet & Tube for his new Republic organization. This is typical of the feeling that exists towards Eaton among many old-time steel men. They call Eaton an "upstart." He is 48. In only six years, he has attained a prominent place in the industry.

Eaton testified that he owned personally about 135,000 shares of Sheet & Tube stock, making him the largest individual stockholder. He said he had purchased about 30,000 shares since the books closed on March 22.

First efforts by the Eaton group to obtain a federal injunction to prevent an immediate vote failed. Then they temporarily enjoined the counting of the Sheet & Tube shares recently bought by Otis & Co. and all shares which have changed hands since March 22.

This enormously complicated the process of counting votes so that the meetings were adjourned again and again. On Thursday, Sheet & Tube filed a petition to dissolve the injunction against counting the controversial votes.



ENGINEER ON HORSEBACK

Charles Piez, president of the American Society of Mechanical Engineers, which last week celebrated its golden anniversary

Aviation ► **Detroit Show Light On Selling End**

PRONOUNCED by the aviation industry and public as the "World's Greatest," the Third Annual All-American Aircraft Show was "packing them in" at Detroit this week with the largest attendance ever attracted to an event of this kind. Held at the Detroit City Airport, manufacturers were able, for the first time, to demonstrate the flying qualities of their planes as well as to show them in exhibits in the huge hangar. This location also enabled them to fly planes direct from factory to show.

Eighty-one planes were exhibited in the hangar; 50 outside on the field. Observers report one flaw—an almost total absence of merchandising effort. As at every aircraft show held so far in this country, only accessory manufacturers were charged for exhibit space. The event was sponsored by the Aeronautical Chamber of Commerce and the Detroit Board of Commerce.

Oil ► **Oil Drills Tap Davy Jones' Locker**

PACIFIC WESTERN OIL CO. has extended its drilling operations over 1,000 feet into the Pacific Ocean, off the coast near Santa Barbara. There are indications that a large oil structure has been tapped there which may prove to be one of the country's greatest oil fields.

Some 14 miles from present operations, Pacific Western brought in the largest producing well in California by drilling some 600 feet out in the ocean. It is expected that drilling operations can be carried on successfully 4,000 feet from shore, the limit of the company's lease. Deep-sea drilling is not altogether new but never before have wells been drilled so far from shore with such good results.

What the Figures Show

THE latest week's indicators show little definite improvement in the general business situation as April begins. The seasonal stimulus appears to be weak. Building alone exhibits any marked seasonal strength. Steel and other basic industrial activity as well as general trade are at best holding their own, with little definite evidence of change for the better.

Steel Has Its Ups and Downs

Steel mill activity declined somewhat after last week's upturn. The Dow, Jones estimates of the average for the industry dropped from about 76% of capacity to 75%, as compared with 96% a year ago, this due to falling off in the Steel Corporation, which is at 79% against 83% the week before and 98% last year. Independents show a slight pickup from 69% to 70% as compared with 94% a year ago.

General expectation is for week-to-week fluctuations around current levels for a month or more in keeping with close hand-to-mouth buying now prevalent; but the general level is at a fair rate compared with years up to 1928, probably around a 50 million ton annual total, though at lower percentage capacity figures because of increase in total capacity during recent years. Steel Corporation unfilled orders as of end of March increased 90,905 tons to 4,570,653 tons, largest since February, 1926.

Automotive demand continues slack, and the *Iron Age* regards structural steel awards as unimpressive because "heavy construction work is subnormal." Prospects of sustained railroad demand are not considered bright because of curtailed rail earnings. The current set-back in steel production is ascribed to retrenchment by the carriers, whose current purchases are small and shipments on contracts in some cases suspended. Oil and gas pipe and shipbuilding demand are the strongest sustaining factors. Price declines continue and scrap markets are weaker.

The preliminary estimate of March car and truck production in the United States and Canada is about 400,000, 17.8% over February but 36.1% below last March. The March figure shows the smallest increase over February since 1924 and is lowest since 1925, but only about 10% below the March average for all years since 1922.

Through the courtesy of the National Electric Light Association *The Business Week* in this issue begins publication of weekly figures of total electric power production based on direct returns to the Association covering 60% of the industry and estimates for the balance. The latest figures, for the week ended April 5, show a very slight improvement. The increase over the same week last year was 3.3%, but far below the normal 10% year-to-year growth.

Upward Trend for Building

The building trend continues strongly upward, particularly in heavy construction. General contract awards for the first four days in April are not yet computed by Dodge, will be included in next week's figures. *Engineering News-Record* heavy construction contract figures for the week ending April 8 show a 13% increase over the preceding week and 7% over 1929. The daily average of the past four weeks shows a tremendous increase from the first of March and surpasses any week in 1929.

Bituminous coal production showed a sharp increase for the week contrary to the usual seasonal trend. Except for the comparable week in 1927 this has not happened since 1922. Crude oil production also showed an increase due to larger output east of California. Better balanced production and demand is beginning to affect crude and gasoline stocks and strengthen prices.

FIGURES OF THE WEEK

	Latest Week	Preceding Week	Year Ago
PRODUCTION			
Steel Mill Operation (% capacity)	75	76	96
Building Contracts (F. W. Dodge, daily average in thousands, 4 weeks basis)	†	$17,621	$21,338
Bituminous Coal (daily average, 1,000 tons)	*1,484	‡1,305	1,342
Petroleum (daily average, 1,000 bbls.)	2,530	2,514	2,658
Total Electric Power (Nat'l Electric Light Assn., millions kw.-hr.)	*1,850	*1,845	1,790
TRADE			
Car Loadings (daily average, all classes, 1,000 cars)	148	146	162
Check Payments (outside N. Y. City, millions)	$ 6,421	$ 5,334	$ 7,040
Wheat Receipts (1,000 bushels)	2,594	3,186	5,347
Cotton Receipts (1,000 bales)	102	113	149
Cattle Receipts (1,000 head)	*160	‡148	135
Hog Receipts (1,000 head)	*516	‡483	476
Wool Receipts (1,000 lbs.)	3,185	2,738	4,340
PRICES (Average for the Week)			
Wheat (No. 2, hard winter, Kansas City, bu.)	$1.02	$1.00	$1.10
Cotton (middling, New York, lb.)	$ .166	$ .159	$ .206
Iron and Steel (composite, ton)	$34.52	$34.57	$36.81
Copper (electrolytic, lb.)	$ .178	$ .178	$ .236
All Commodities (Fisher's Index, 1926-100)	90.8	90.4	97.9
FINANCE			
Total Loans and Discounts, Federal Reserve member banks (millions)	$16,918	$16,885	$16,583
Commercial Loans, Federal Reserve member banks (millions)	$ 8,670	$ 8,702	$ 9,068
Brokers' Loans, New York Federal Reserve member banks (millions)	$ 3,994	$ 3,968	$ 5,427
Federal Reserve System Ratio	81.5	79.8	73.8
Stocks Sold (N. Y. Stock Exchange, 1,000 shares)	28,959	26,245	19,994
Stock Prices (N. Y. Times, average 50 stocks)	$238.06	$234.08	$240.30
Bonds Sold (N. Y. Stock Exchange, par value, thousands)	$69,596	$77,851	$49,433
Bond Prices (Dow, Jones, average 40 bonds)	$ 95.41	$ 95.71	$ 94.22
Interest Rates—Call Loans (daily average)	4.0%	3.8%	10.0%
Interest Rates—Time Loans (daily average)	4%	4%	9%
Business Failures (Dun, number)	503	533	466

* Preliminary † Not available
‡ Revised

The general price situation is somewhat stronger. The wheat average rose when the government April 1 winter wheat report showed a smaller per cent of normal than private estimates indicated, suggesting a crop possibly 20 million bushels below last year. The cotton average rose sharply under covering by interests short on May contracts. The iron and steel composite declined further but copper remains on the peg despite continued slack buying. The Fisher all-commodity index rose slightly for the first time in several weeks and the National Fertilizer Association index showed a further significant advance for the fourth consecutive week.

Trade Indicators Slack

General trade indicators remain slack. Total carloadings increased for the week but still lag nearly 9% below last year and 7% below 1928. The increase in the total was due wholly to larger loadings of coal and live stock. Non-bulk carloadings showed a marked drop, contrary to the usual trend and were 12.4% behind 1929—a much greater deficit than any week so far this year. They were 6.2% below 1928.

Commercial failures showed a drop for the latest week but are still in the five-hundreds, and the decline is at a smaller rate than in similar weeks of the last two years.

March department store sales were 12% smaller than a year ago, the decline affecting all districts and reaching as much as 17% in Philadelphia, Atlanta and Chicago. This is ascribed in part to the late date of Easter this year (April 20 as against March 31 last year).

Late employment indications show some slight improvement. New York State figures just released indicate a slight decline of 1/10 of 1% between February 15 and March 15, but an increase of 1.4% in New York City. The Illinois Department of Labor reports a reduction of approximately 50,000 among the unemployed in Chicago during March.

Money and the Market

THE market pushed a little further upward and hesitated again this week. All signs of fairly active speculation continued in evidence. Money rates showed very little change.

Stocks act tired. Much churning takes place with little progress—though what does happen is on the upside. Rail shares are the weakest group in the market and are losing ground on poor earning and operating reports. Industrials and utilities go forward, but are panting a bit.

More money went to the brokers this week. Loans increased $26,000,000, bringing the total practically to $4,000,000,000 as compared with $3,300,000,000 to which it descended late last year. New York banks reduced their loans a little from last week, when the total was largest ever with the exception of "crash week" last fall. Out-of-town banks and "others" sent a little more money to New York for the boys to play with.

Call money was somewhat easier this week than last, lending at 3½% and 4%. Appearances indicate continuance at that level.

The bond market continues to disappoint enthusiasts. It begins to look as though the much-heralded "turn" in bond prices the first of March wasn't so important. As in stocks, the rail issues are weak. So are utilities. But industrial and foreign issues show strength. New flotations continue to be heavy. Most interesting of the week was the $50,000,000 issue of Argentina, which was taken within a few hours.

Member bank credit showed no change in trend. Total credit increased $77,000,000; of this, loans accounted for $33,000,000 and investments for $43,000,000. The loan increase was all in securities, these going up $64,000,000 while commercial loans went off more than $30,000,000. Commercial loans are now lower than they have been in over a year. The time for their seasonal spring increase to take place has long past. The more the decline the worse business appears to be according to this indicator.

The Federal Reserve system continues inactive marketwise. Bills discounted, or member bank borrowing, declined $15,000,000 from last week. The total hovers at the lowest figure in recent years, and is only about 25% of that at this time a year ago.

Acceptance and government security holdings are far above a year ago. This week acceptances decline by $34,000,000 and security holdings by $3,000,000. Both of these figures must now be watched in following the Reserve open market operations, and neither has recently given clue to a very definite policy.

No Further Rate Reduction

The Reserve system seems very much inclined to sit on the fence, after the great easing in which it participated earlier this year. This policy was indicated by Roy A. Young, governor of the board, in his latest speech several weeks ago. He then indicated that the banks had done enough. Rumor has it that the Bank of England, which eased rates the same way at the same time, recently wanted to go further. Since both the London and New York rates are now at 3½% the British bank was unwilling to act unless New York did also. Inquiry elicited the response, however, that the Federal Reserve was satisfied. The rumor is unverified, but it sounds reasonable.

Changes in bill and government security holdings for the week were accounted for by the New York Reserve bank. Member bank borrowing in the New York district, however, increased, contrary to the trend for the 12 banks combined.

February Business Recalls 1922

THE comprehensive indexes of business compiled by the Federal Reserve Bank of New York show very slight improvement for February as compared with January.

The total volume of trade, covering all measures of industrial, business and financial activity, rose from 97% to 98% of normal and was lowest for the month since 1922. In general, if allowance is made for increased financial activity reflected in check payments in New York City, new security issues, stock trading, and future sales in grain and cotton, it is clear that general trade and productive conditions in February were less active than in any corresponding period since 1922. The indications are that March business as a whole will show very little change from February.

More Power Used

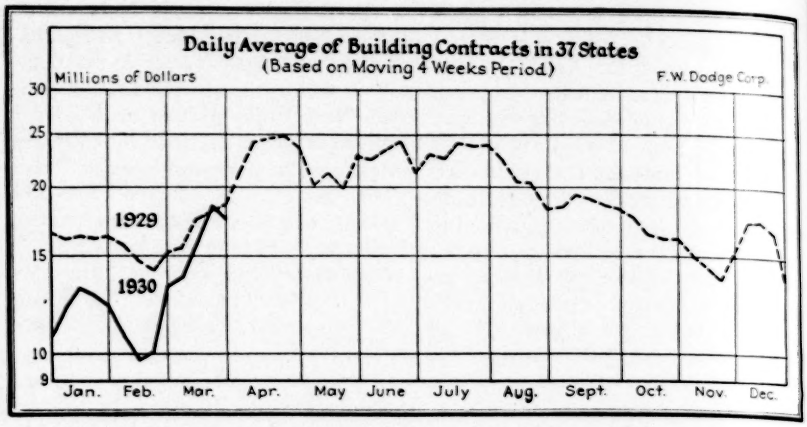
Preliminary figures of March industrial consumption of electric power in plants reporting to the *Electrical World,* however, show an increase in industrial activity thus measured of nearly 2%, but a drop of over 7% under March, 1929. The first quarter as a whole will be about 9% under last year.

Steel ingot production in March was at a daily rate of 164,961 tons, about 2.7% below the rate of 169,499 tons in February and about 15% below the last March figure of 194,548 tons. The March production was 84⅛% of capacity as against 86% in February and 99¼% last March. This March decline was unseasonal, and is expected to be offset in April. Even so the first quarter production was at an annual rate of nearly 48½ million tons, so that a 50-million-ton year is still possible—even probable.

The first 23 chain store companies to report sales for March show an aggregate decrease of 9.67% as compared with last March. These declines are attributed principally to the fact that in 1929 Easter business was reflected in March sales and is expected this year to show up in the April figures. Bad weather conditions in the western states were another factor.

March Brings Mild Building Boom

THE chart on this page shows the strength of the comeback in general building construction in the past month. The recent slight drop in the four weeks' moving daily average, upon which the chart is based is probably temporary. The full March figures leave little doubt about the marked improvement in building and of the stimulus of the spring season. The F. W. Dodge figures show total general building contracts awarded amounting to $459,119,000, an increase of 44.6% over February and only 5.3% below March, 1929. This is a greater increase for the month than in the same period of 1928 or 1929, but considerably less than in the years 1925-1927. The total is still behind every March from 1925 to 1929.



Still Not Residential

The comeback is still confined chiefly to non-residential building, this group in the Dodge classifications accounting for 55% of the total contracts and showing an increase of 61.2% for the month and 16.6% for the year. Public works and public utilities accounted for 23% of the total and showed an increase of 22.6% and 47.2% for the year. Residential construction was only about 22% of the total and, although showing an increase of 35.7% for the month, still ran 48.4% behind last March and behind the same month in the past five years. Within the non-residential group industrial and commercial buildings, hospitals, institutions and public buildings and religious and memorial projects were especially strong. It is particularly striking that the March contracts for industrial construction were 122% above February and at least 33% above every March since 1924.

The *Engineering News-Record* figures of heavy construction contract awards for March were the largest on records running back to 1913. They showed an increase of 100% for the month and 8.7% for the year. Public works and utilities in these figures were about 150% higher for the month and 78.5% for the year, while public building showed the next largest increase for the month and the year.

On the strength of these March increases the Department of Commerce has boosted its estimate of the total volume of construction of all types for 1930 by a billion dollars to $11 billions.

Shippers Expect to Use Fewer Cars

THE estimates of Shippers' Regional Advisory Boards, as noted in last week's issue, are that carload shipments of 29 principal commodities in this quarter (April, May and June) will be 4.2% below the corresponding period in 1929. The estimates for the first quarter, it will be remembered, anticipated shipments only about 1% smaller than in the corresponding quarter of 1929, but actual carloadings as a whole ran about 7% behind 1929.

Estimates by Commodities

The estimates by commodities are especially striking. Considerable increases are looked for in cotton, 11.9%; in fresh fruits other than citrus fruits, 13.6%; in cement, 6.7%; and in agricultural implements and vehicles other than automobiles, 3.9%. The most conspicuous decreases are anticipated in citrus fruits, 46.2%. In ore and concentrates, 20.7%, and in automobiles, trucks and parts, 17.4%. Decreases of 7.4% in iron and steel, 5.2% in machinery and boilers and 5.7% in lumber and forest products are anticipated.

In general the expected decreases or slight changes in most building materials except cement suggest that shippers do not anticipate any marked revival of smaller residential building, although greater activity in road construction and other heavy building is forecast. A decrease of 6.2% estimated car requirements for grain evidently anticipates a considerable measure of crop reduction, in contrast to an increase in cotton production.

Investment Advice

Advice is a term often used and often misunderstood. Analysis rather than advice, should be the first step in any investment decision. Every investor, before purchasing any type of securities should analyze thoroughly his own financial position.

Then when his own individual problems are clearly defined and understood, a competent investment organization should be consulted.

The National City Company, with its international buying and distributing organization, is well qualified to act in such consultant capacity. In its list of offerings will be found high grade securities of widely different classifications. From them, with the help of a National City man, investments that conform to individual needs may be selected.

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World Bank Will Do Much More Than Handle Reparations

American Financial Leaders Say it Will Render An Important Service to International Business

THE World bank, or Bank for International Settlements, is about to make its début. Ratifications by Great Britain and Italy alone are lacking among the affected countries. These are expected momentarily. Accords by France and Germany were the big obstacles. Germany's alternative was to stay under the Dawes plan and pay higher annuities: Germany ratified. Bitter vocal opposition in France faded when the actual count came in Parliament.

The bank's directors from all nations have been named. Its domicile at Basle in Switzerland is practically ready. The first official meeting of the board of directors is imminent. The world already is practically certain that Gates W. McGarrah, former chairman of the Federal Reserve Bank of New York, one of the American members of the board and its chairman, will be officially named president. Pierre Quesnay, formerly of the Bank of France, will be managing director (*The Business Week*, February 12).

What Its Founders Think

When the doors of the bank open for business after the few remaining preliminaries have been cleared away, one of the world's greatest economico-financial experiments will be begun. The bank is to be a reparations clearing house, first of all, but there are those who think that this *raison d'être* is only a convenient peg upon which forward-looking economists and financiers will hang a creation of far wider scope and far greater significance.

What do the bank's founders themselves believe it can do for the world beyond the obvious and immediate reparations job? The key to its development may lie there, and *The Business Week* offers the answers to this question that have been given by the four outstanding American participants in its foundation.

Owen D. Young, chairman of the experts committee which drew up plans for the bank, sees a possibility of the bank's use as an international clearing house. "There is no question in my mind that some such development will come" if a gold shortage threatens general deflation of the price level. "The proper handling of price stability is one of the most important matters facing the capitalistic system today. In it will be found the roots of those maladjustments which result in the unequal and unfair distribution of wealth, in unemployment and other serious problems."

Thomas W. Lamont, of J. P. Morgan, associate of Mr. Young, says in *World Trade* that it "may furnish to the world of international commerce and finance important facilities hitherto lacking. . . . It will provide a common meeting ground month by month for the governors or other representatives of central banks and thereby become an increasingly valuable link in the cooperation of central banking institutions generally—a cooperation which new conditions confronting the world since the war have proved to be essential for the continuing stability of the world credit structure." Also, that it will help to open up "new fields of commerce and enlarge the volume of world trade as a whole."

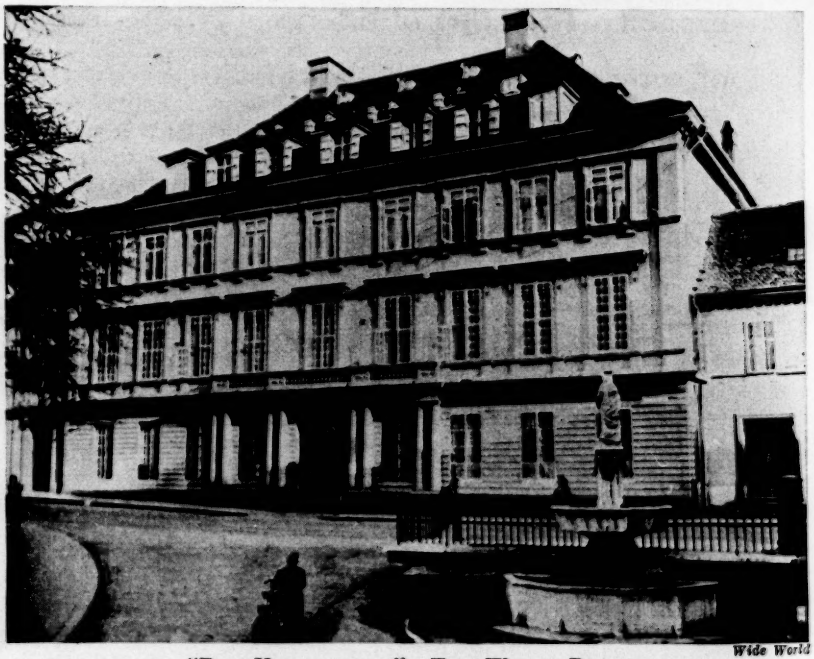
Jackson E. Reynolds, president of the First National Bank of New York, chairman of the experts committee which drew up the bank's statutes, finds advantages in its use as a meeting place for central bankers. He emphasizes the opportunity of using it as a clearing house to conserve gold and stop most of the waste in shipping gold. He notes its possible stabilizing effect in facilitating borrowing and lending between nations as the Federal Reserve does between districts.

Melvin Traylor, president First National Bank of Chicago, associate of Mr. Reynolds, declares that "the importance of this bank, to my mind, will consist, at first, largely in bringing about cooperation between the leading fiscal institutions of the important countries of the world; it will create a proper atmosphere in which questions of common interest may be discussed without rancor by men who know each other personally. Such association and acquaintance must inevitably create in each of them a respect for, and confidence in the other's judgment and integrity."

Effect On Our Business

The bank's operations will have important repercussions in the United States. One authority familiar with the plans for the bank, who cannot be identified, stated these for *The Business Week* as follows:

"The B. I. S. is designed to promote the cooperation of central banks, provide additional facilities for international financial operations, and act as reparations agent. If the bank fulfills the object for which it is designed, its effect upon



Wide World

"ZUM KIRCHGARTEN"—THE WORLD BANK

"The mansion by the churchyard," selected for the permanent home of the Bank of International Settlements, is undergoing extensive alterations. Pending installation of electric lights, elevators, and steam heat, the B. I. S. will occupy temporary quarters in the Hôtel de l'Univers, also in Basle, Switzerland

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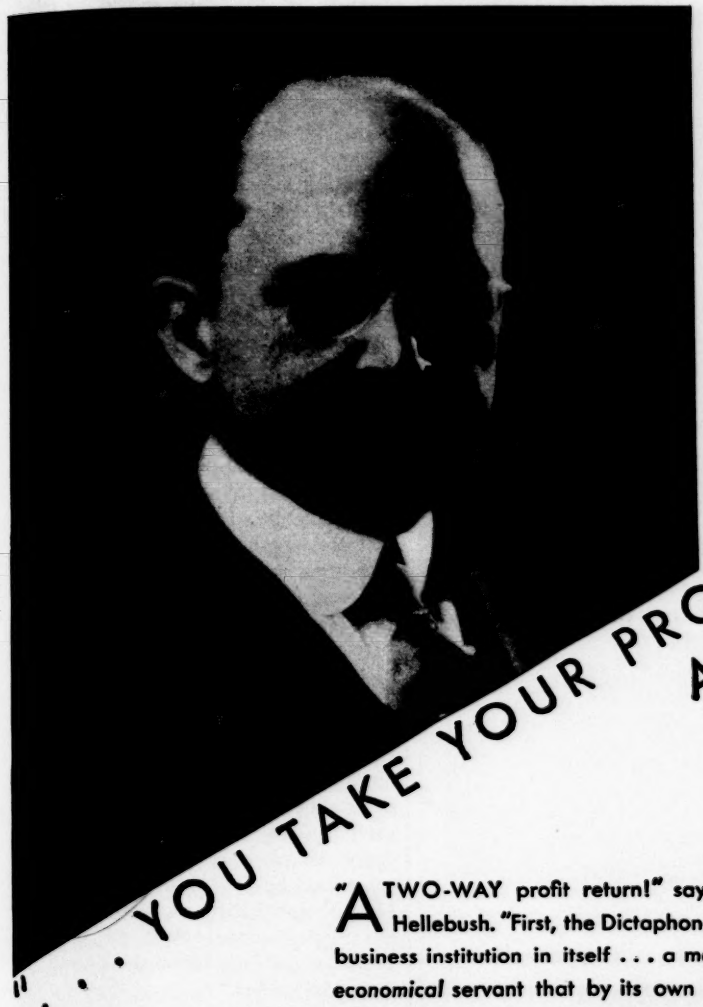

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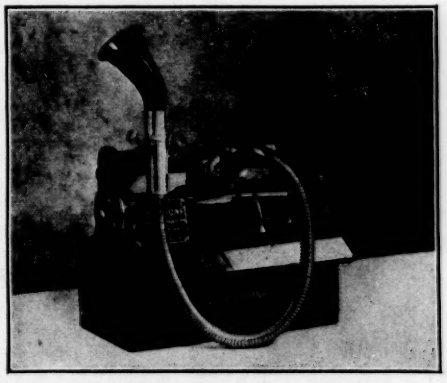

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"The B. I. S. is no panacea. It is, however, an instrument of enormous potential economic worth. It may be expected to realize its potentialities to the extent that the peoples of the world make intelligent use of it."

Bond Sales To Help Exports

Stimulation to American trade probably will be provided in the reparations bond flotation. The United States needs to export capital to help revive foreign business in order to aid our exports (*The Business Week*, April 2). Large quantities of the reparations bonds will be sold here, providing needed capital export.

The United States will be connected with the new bank. A connection is absolutely essential to our financial and economic interests. In accordance with the State Department's prohibitive statement almost a year ago, the Federal Reserve system will not be a member. American stock in the bank has been subscribed by J. P. Morgan & Co., the First National Bank of New York, and the First National Bank of Chicago. These or allied institutions will be American agents.

The bank will certainly want an account with the Federal Reserve Bank of New York. Such correspondent relations are carried on for other central banks abroad. It is almost inconceivable that it should not be done for the B. I. S. The bank's statutes provide that its operations in each country shall be subject to the veto power of the central bank of that country. Nothing having been said to the contrary, it is presumed the Federal Reserve would exercise this power if it felt the need.

Opposition exists in the United States. It all hangs on the old "no foreign entanglement" bogey. Louis McFadden, chairman of the House banking and currency committee, and Ogden L. Mills, under-secretary of Treasury, are the vocal leaders of this opposition. Some of Mr. McFadden's remarks recently have hinged on the absurd. Mr. Mills is more reasonable, but no less firm.

Trade Practice Codes Debated

DEBATE over wisdom of the Federal Trade Commission's conference method for promoting self-regulation of business grows more spirited.

Because the step is so short between cooperative action for the elimination of trade abuses and similar agreements for regulating production, fixing prices, and other illegal practices, one former member of the commission asserts the board is fomenting conspiracies in restraint of trade. Another former member of the commission insists that the trade practice conference plan should not be condemned because it may be wrongly employed.

Promoting Sportsmanship

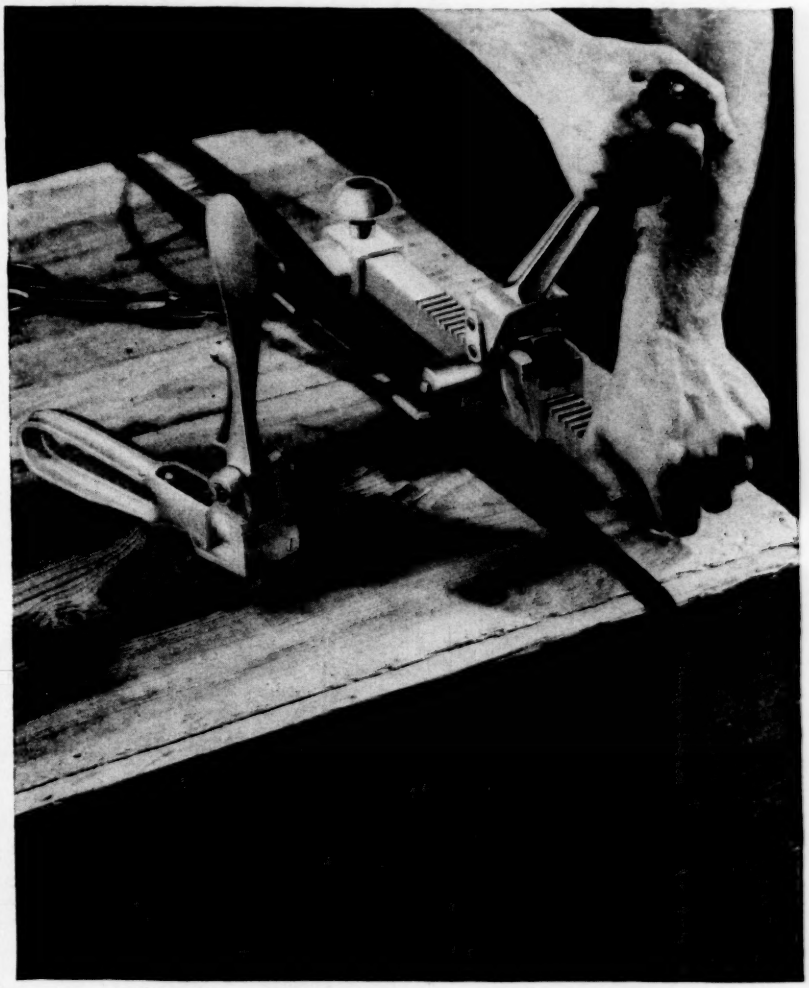
Staunch defender of its own system, the commission maintains that the codes adopted under its auspices are doing more to promote good sportsmanship in industry than any number of cases heard before it on complaints filed.

The commission holds no protecting arm around the industry that doesn't play ball, and if, as reported rather widely, groups which have adopted codes are using them as a cloak for price fixing, it is probable that sooner or later they will be haled into court by the Department of Justice. Such action could not be construed as an attack by the department on the commission's trade practice conference procedure; but more than one trade association attorney is inclined to believe that if one or more groups are cited for conspiracy in violation of the anti-trust laws, the popularity of the plan will receive a severe set-back.

The Weak Spot

The weak spot in the commission's procedure seen both by its advocates and critics is that after a trade practice conference the commission makes no attempt either to determine whether the unfair trade practices have been abandoned, or whether the agreement itself is being used as a tool for illegal acts. Recognizing this lack, many of the trade groups have established vigilance committees to see to it that there is no backsliding.

To the extent that this committee keeps the commission informed of breaches in the code as practiced by the individual members of an industry, it serves, without specific delegation of authority, as a useful agency for enforcing the code.



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OUR GOLDEN ANNIVERSARY

Building and Loan Mortgage Money Increases

State	Receipts	Withdrawals	Mortgage Loans Made	Remarks
Alabama	Well below 1929	Still unusually heavy	Much less	
Colorado	Practically normal	Practically normal	Fewer loans; demand very heavy	1930 growth will be less than 1929
Connecticut	Nearly normal	Nearly normal	Demand heavy	
District of Columbia	Increasing	Decreasing	Money plentiful; loans equal 1929	Expect steady growth this year
Georgia	Normal	Do not seem abnormal	Off 40% last four months—bad weather	Future looks bright
Idaho	50% above first quarter of 1929	Same as last year	50% increase	Future: bright
Illinois	Decided falling off	Increasing	Decreasing	Sufficient houses now; unemployment heavy
Iowa	Almost normal	Normal	Slightly under normal	Signs encouraging; loan policy cautious
Kansas	Improving but spotty	Not serious	Good demand with limited supply	Proposed change in taxation critical
Louisiana	No new money	Heavy; waiting lists still being used	No loans being made	
Maine	Smaller; collections harder	Larger	Less	Real estate dull
Maryland			Funds adequate to meet home buyers' demands	
Massachusetts			A little below last year	Normalcy near
Montana	Same as last year	Larger due to weather and unemployment	Near last year	Enough funds to meet proper demands
Nebraska	50% less than last year	50% larger than last year	At a standstill	No improvement; waiting lists still used
New Mexico	Normal increase	Below last year	Same	
New York	Compares favorably with last year	Less than 1929	More than at same time last year	Outlook good
North Carolina	Slight increase	Decreasing since December 1	Slight increase	Improvement expected; building 30% normal
Ohio	Funds far from plentiful	Continue heavy in most sections	Demand heavy; few granted	Outlook unfavorable; many undesirable demands
Oklahoma	More new accounts; less money	Normal	Demand good, many are undesirable	Outlook mildly unfavorable
Oregon	Gradual increase	Same as last year	Slight decline	
Pennsylvania	Below last year	Above normal	Demand exceeds supply of funds	Apartments overbuilt in Philadelphia
South Carolina	Less than normal	Nearly normal	Below normal	
Wisconsin	Material reduction		50% below last year	Extremely cautious lending policy

THE supply of mortgage money available through building and loan associations, always an important source of such funds, is definitely increasing, although many unfavorable spots may still be discerned in the picture. Association officials in almost every state expect a steady, but perhaps unusually slow, improvement during the remainder of the year.

The building and loan situation throughout the country is shown in detail in the accompanying table, which has been compiled from a survey just completed by the United States Building and Loan League. It covers 23 states and the District of Columbia, and includes almost 950 associations with assets of $5,500,000,000—about 70% of the total in the United States.

In New York and New England the position of the building and loan associations is much stronger than elsewhere in the United States. Recovery in these regions has been much more rapid and definite, and associations there are, in general, operating under normal conditions. In the South, excepting Louisiana, receipts and loans are on the upgrade, though the rate of progress is slow.

The gloomiest part of the picture is in the vast stretches of the Middle West and in Pennsylvania. Such key states as Illinois, Pennsylvania, Nebraska, and Wisconsin still show smaller receipts, and assocations making fewer mortgage loans.

Insurance companies, savings banks, and building and loan associations, being repositories for savings, are the great sources of mortgage and other long term money. The circumstances which caused them to shut off or curtail their loans were prime factors in bringing grief to construction, and to the long term money market.

"PRACTICALLY PERFECT"

SAYS THE NEWSTEEL ENGINEER···*"APPLIES TO EVERY NEWSTEEL SHIPMENT"*

ONE of our customers, who uses an unusually wide steel sheet (55 inches), reports "an almost perfect run" on a recent shipment of 4000. Scrap loss was reduced to an insignificant minimum—17 sheets, to be exact. Perhaps you are experiencing too high a percentage of scrapped sheets. Call in the Newsteel Engineer for a thorough study of your needs. A simple change in specifications may be the answer. Whatever type of Newsteel Sheet he suggests, will be the right sheet for your product, and will assure a practically perfect run from every shipment.

Newsteel High Grade Sheets from which your specifications are determined include—Automobile, Steel Furniture, Full Finished, Full Pickled, Single Pickled, Black, Blue Annealed, and Copper Bearing.

THE NEWTON STEEL CO., YOUNGSTOWN, OHIO

Detroit Cleveland Chicago New York Indianapolis

PLANTS AT NEWTON FALLS, OHIO AND MONROE, MICHIGAN

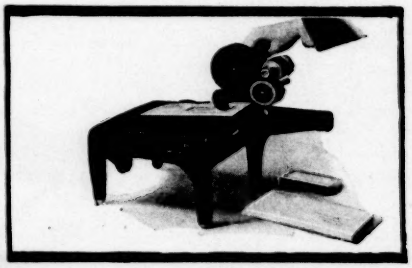
NEWSTEEL

SAVE WITH STEEL *THE ENGINEERED STEEL SHEET*

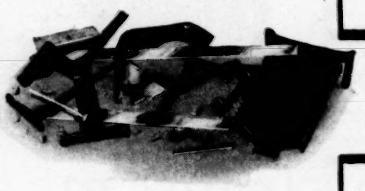
ADDRESSING "ELLIOTT" MACHINES

HERE is the greatest opportunity ever offered anyone needing a Mechanical Addressing System!—A new line of "Elliott" CONVERTIBLE Addressers that grow as your requirements grow:—

If your mailing list is small and your initial investment in equipment must be kept way down—buy this "*600 per hour*" Addresser for **Only $25.**



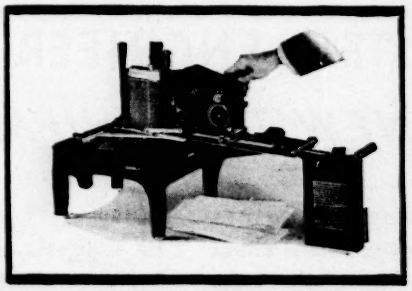
Then as your list grows and higher speed addressing becomes desirable—

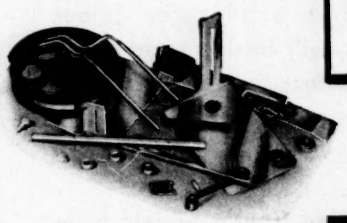


←—— for $55. extra

We will furnish and put these additional parts on your Machine—

—which will give you this "*1500 per hour*" Addresser with AUTOMATIC STENCIL FEED—exactly like the standard "Elliott" Model sold for **$75.**



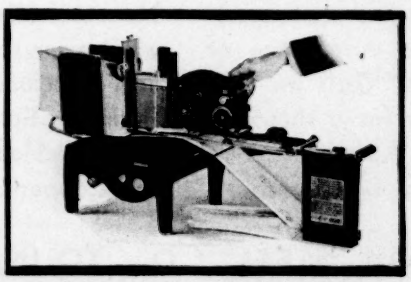


Then whenever you want still greater speed and operating convenience, we will add these extra parts

←—— for another $55.

—which will turn your Machine into this "*125 per MINUTE*" Addresser with AUTOMATIC ENVELOPE FEED—exactly like the standard "Elliott" Model sold for **$125.**

Thus, no matter how small an "Elliott" System you start with, you always have the makings of the fastest little Addressing Machine in the world!



Your original investment never depreciates!

CLIP and MAIL this COUPON

☐ **FREE Catalog**
☐ **FREE Demonstration**
☐ **FREE Book about Direct-Mail Advertising**

Check what is wanted at left, attach to your business letterhead, and address to the Elliott Addressing Machine Co., Cambridge, Mass., U. S. A. (or 84 St. Antoine St., Montreal, if you are in Canada).

Jobs Galore For Robot Salesmen

THOMAS ADAMS employed a German carpenter to construct the first gum-vending machine 40 years ago, and it was promptly dismissed as an amusing novelty with scant practical value. But the novelty has long since worn off, and automatic merchandising devices now distribute millions of items, saving the time, patience, and in some cases the money of a more or less enthusiastic public. One company alone, the Consolidated Automatic Merchandising Corporation, has an investment of $25 millions in this field.

First Slot-Machine Show

Manufacturers and operators of coin-machines held their first annual convention and show in Chicago recently, and many of them predicted that, within a short time, apartment houses will devote considerable space to batteries of machines for supplying their tenants with toothpaste, proprietary medicines, and other small articles of which a household is in constant need. Automatic restaurants have been familiar for a long time, and in recent years there have sprung up, in New York and other cities, coin-in-the-slot soda fountains. Large chain groceries utilize the coin-machine to distribute canned goods, eggs, tea, and coffee, thereby giving a 24-hour service. In many of its stores, the United Cigar Stores Co. has installed machines which make change, deliver goods, and squeak "Thank you." The Cunningham Drug Store in Detroit, the largest single-unit drug store in the country, operates a battery of 52 machines. They sell many varieties of creams, pastes, powders, soaps, tobacco, and other packaged products.

Advances in the machines are being recorded all the time. Manufacturers have recently produced a fraud-proof coin-operated postage stamp machine, so delicately adjusted it will not take slugs or tokens, but will work perfectly with coins worn so thin as to be almost unidentifiable. Other delicate machines will give a nickel's worth of electric vibration, or twenty minutes of entertainment by radio for a dime. Banks are considering the installation of automatic devices for receiving and acknowledging deposits. Fibre sandals and other articles are to be sold through machines at the beaches this year. So is gasoline at many filling stations, small tools in hardware stores.

Three out of Every Four Requirements for Texrope Drives can be Shipped from Warehouse Stock

Stocks of Texrope Drives are also maintained in Genoa, Italy; Leylands and London, England; Paris, France, and Hedemora, Sweden.

The asterisks indicate stocks of Texrope belts. The stars indicate stocks of complete Texrope Drives.

AS UNRIVALED IN SERVICE AS IN PERFORMANCE

Always unrivalled in performance . . . now Texrope Drives lead in service.

Practically every transmission requirement can be filled with stock Texrope Drives . . . and immediate delivery made from warehouses throughout the country.

Stock drives up to 100 H. P. are thus available in ratios up to 7:1. As many as eighty-three different ratios of sheaves are stocked for each horsepower rating.

Where conditions require a special drive, quick delivery can be made on drives up to 2,000 H. P.

To users of Texrope Drive this new and complete service further substantiates Texrope's claim to leadership in the transmission field. To manufacturers who sell Texrope Drives as a part of their power driven machinery, this is complete assurance that their customers will enjoy the finest service as well as unequalled performance.

Put Texrope to Test Where You're Having Transmission Trouble

Where moisture is ever present . . . where dust and dirt fill the air . . . These are the places where Texrope Drives prove their perfection most convincingly. Under the most adverse conditions . . . where other drives mean continual maintenance and repair . . . Texropes give steady service with practically no upkeep.

Texrope Drives require no grease, oil or dressing. It is a clean drive. Frequent shutdowns due to transmission failure cease when Texrope is used.

The wedging contact between the belts and the V-grooved sheaves permits no slippage. Starting is smooth . . . there is no vibration . . . and the drive is always silent.

In approximately the last five years over 75,000 Texrope Drives have been installed. Unbelievable as it may seem, this drive has never failed to satisfy wherever it is correctly applied.

Texrope is rightly termed "the perfect transmission for every purpose". One installation, on your hardest drive, will convince you. Send for a copy of Bulletin 1228-K.

ALLIS-CHALMERS MANUFACTURING COMPANY, (*Texrope Division*)
Specialists in Power Machinery Since 1846 **Milwaukee, Wisconsin**

ALLIS-CHALMERS

TEXROPE DRIVES

THE PERFECT TRANSMISSION — FOR EVERY PURPOSE ··

Let's look at the Investment Trust

WITH characteristic enthusiasm, the American investor took the investment trust to his heart last summer and then with equal intensity turned away from it last fall.

But with the appearance of the reports of many of these investment companies, a new appreciation of their position is rapidly finding expression. It is becoming increasingly apparent that well managed companies of this type did substantially better than was at first thought and substantially better than most individual investors were able to do for themselves.

This superior performance, after all, should not be surprising. The soundly managed "trust" achieved diversification on a scale that was not in the power of most investors, even of considerable means, to achieve. It held to the true investment point of view. It was not over-extended on borrowed funds.

At the present time, the investor will do well to consider the securities of sound investment trusts as long term holdings. The senior securities of such companies afford a good return with a high degree of safety. Their common stocks provide an excellent medium for equity investment. They give you seasoned and responsible management alive to its responsibilities. They assure you wide and effective diversification. They enable you to participate in a conservative manner in the progressive betterment of American industry from recent low points. We believe that selected issues are sound and attractive.

NATIONAL SECURITIES INVESTMENT COMPANY

The Allotment Certificates listed on The Chicago Stock Exchange consist of one share of 6% Cumulative Preferred Stock, one-half share of common stock and the right to buy another half share of common up to January 1, 1934 for $7.50. The common stock is now selling around $25 a share. The net assets applicable to the preferred were equal to $137 per share on December 31, 1929. The rise in the market since that date has increased this equity substantially. At current prices the yield is slightly less that 6%. We believe these certificates afford an excellent investment with interesting possibilities of profit.

A. G. Becker & Co.

Sound Securities for Investment

54 PINE STREET, NEW YORK • 100 SOUTH LA SALLE, CHICAGO

Utility Magnate Buys Out Fox

BITTER, spectacular, the fight for control of Fox Film Corporation, one of the biggest makers of pictures, one of the largest owners of theatres, ended dramatically when a neutral, an outsider, bought William Fox's shares.

Harley L. Clarke of Chicago is the new movie magnate. He is head of Utilities Power & Light, a half billion dollar corporation serving Indianapolis, St. Louis, 685 other cities in America and, through a subsidiary, 2,000,000 suburbanites around London.

It's a personal investment. It doesn't mean that the utilities are reaching out for control of the screen. That report, given color by the General Electric's-Radio Corp. tie up in Radio-Keith-Orpheum, also by Western Electric's $12,000,000 loan to Fox, dies hard. But Western Electric has stated emphatically and formally that it has not and never will put a penny into amusement enterprises. And Mr. Clarke is using his own money to follow his own yearnings.

He loves the movies, the theatre. He subsidized Fritz Leiber's troupe of Shakespearean players, in Chicago's Civic Theatre. He owns International Projector, General Theatre Equipment. He sank $500,000 in an attempt to develop educational films; still believes in them; may now go further in that line. He tried to buy out Fox a year ago.

What a practical, hard-working utilities-trained man will do with the vast Fox concern will bear watching. Fox, with Vitaphone, was one of the earliest licensees under Western Electric patents. Fox took a sound-track license; Warner Brothers the synchronized disc. Both pioneered in talkie production.

Fox, say insiders, is through. Odds are offered by wicked betting men that the "$500,000 salary as advisor" is face-saving publicity—not cashable in groceries.

Industry's Handmaiden Goes into Business

ADD to industry's special auxiliary aids a new one—art counsel. New York now has its Industrial Art Counsel, Inc., selling professional art advice just as groups of engineers sell their service. Fashion experts claim that forecasting styles is a definite science, are combining to provide agency service, help manufacturers to stylize.

Automobile Industry Pins Its Highest Hopes on Trucks

Passenger car sales go down sometimes but demand here and abroad for commercial cars always rises

Out of the discussion of the 1930 automobile market—louder than ever because of the current uncertainty as to the prospects of that market—has come the old plaint that the automotive industry is reaching the saturation point, beyond which sales expand only with population. The passenger car people will enter a vociferous denial. The motor truck division of the industry doesn't have to. Facts and figures now available throw a new and wholly reassuring light on its prospects for 1930.

Truck production in the United States and Canada in 1929 was 41% greater than in 1928. United States exports increased 77%. Total foreign sales of trucks, including our exports, foreign assemblies and Canadian production, increased 65%. Domestic sales of trucks went up 27%. During every month of 1929 truck sales were greater than in the corresponding month of any previous year—even in November and December when most 1929 attempts at all-time records took a dive.

The usual first explanation of these 1929 gains is "Ford." But, if Ford's return to production in 1929 did bring him a 152% increase over 1928, the actual numerical increase was only 155,000 units, whereas the gain for the entire industry amounted to 234,000. Thus Ford is responsible for about two-thirds of the increase, but there remain some 80,000 units to be accounted for.

The answer lies in an analysis of truck production by capacities. Production of trucks rated at 1 ton or less increased 85% over 1928 while output of larger trucks *decreased* 48%. In other words, the boom in truck sales during 1929 was brought about to a large extent by the replacement of large, slow and uncomfortable trucks, with light, fast, pneumatic-tired vehicles such as Ford and Chevrolet produce in quantities.

Heavy Trucks Oversold

Four and five years ago, there was considerable over-selling of large trucks. Three-, four- and five-ton models were sold for work which smaller trucks can do faster and cheaper. The trend in recent motor truck design has been constantly toward obtaining the same operating characteristics that feature modern passenger car development—more power, better acceleration, greater comfort. And newer models embodying these advantages are selling.

In addition, as in passenger cars, a backlog of potential orders was built by the absence of Ford from the market in 1927 and during much of 1928. Sales and production data indicate that competitive makers of trucks did not exploit this unattached Ford market to the same extent as the passenger car interests.

This apparent lack of aggressiveness by truck makers is somewhat difficult to understand. Considerably over 400,000 of the 550,000 trucks sold in the domestic market last year were products of such concerns as Ford, Chevrolet, Dodge, Chrysler, Reo, Studebaker, Willys-Knight, which also make and sell passenger cars. Under the circumstances it seems likely that something besides improper sales policies must have been responsible for failure to exploit the unattached Ford market fully.

Truck specialists are by no means unimportant in the field; the immense success of Ford and Chevrolet only makes them appear so. Third in domestic sales volume during 1929 was International Harvester. The specialized G. M. C. unit of General Motors was fifth in sales while Mack, White, Brockway-Indiana, Diamond T and other truck makers were important factors in domestic markets.

More Light Trucks
Small loads, short hauls make smaller, faster trucks better sellers

A very important factor in the 1929 market was the foreign market for motor trucks. While domestic sales increased less than 100,000 in 1929, exports from United States alone increased over 125,000; total foreign sales increased 135,500. Here, again, the return of Ford to full production and, particularly, the reopening of his many foreign assembly plants, was a real factor. But annual increases of over 40% in foreign truck sales have been customary for the past 5 years at least. The difference between this 40% average and the 70% increase of 1929 may be credited to Ford and may not happen again soon. But there seems to be no reason why average export performance cannot be maintained.

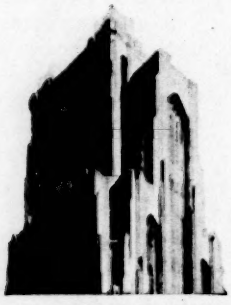
The foreign market for trucks has scarcely been scratched. In a few European countries where there is a domestic truck-making industry American products find the going hard; the rest of the world is our oyster.

Trucks Earn Their Way

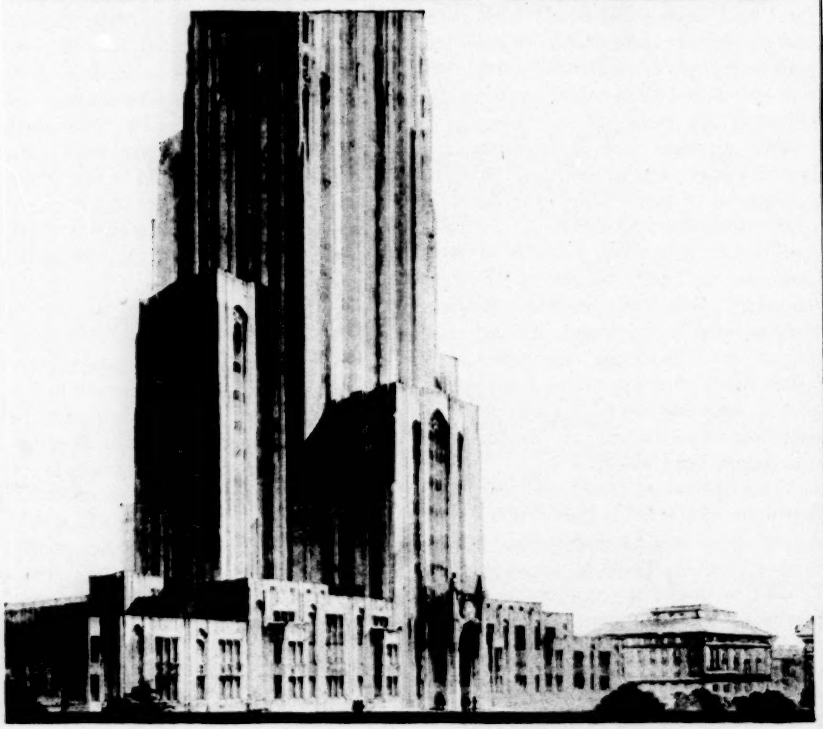
It is interesting to recall now that in the early days of the automobile industry most observers saw little hope for the passenger car business. It was looked upon as a luxury trade; sales would be few, to the wealthy—but the economic advantages of the motor truck would bring it to the fore. The accuracy of this pioneering judgment is seen in 1929 registration data which show in operation in the United States on December 31, 1929, over 23 million passenger cars and less than 3½ million motor trucks.

For many foreign countries, this early view has more logic. Many foreigners get their first automobile ride in a truck which has been equipped, over Sunday, with makeshift seats to take the community on an outing. With low standards of living and relatively low purchasing power the passenger car remains a luxury in many countries. But the motor truck can earn its way and can be sold to much better advantage.

In the United States, motor truck production has lagged considerably behind that of passenger cars. Within recent years it has been picking up speed and has far outdistanced the "pleasure car" in rate of growth. There is little likelihood that motor trucks will ever become as numerous as passenger cars, in this country, but there is good reason to believe that the present ratio of 6.5 cars to 1 truck is much too high; that commercial cars will continue to increase in numbers at a much faster rate and will greatly close up the gap—all of which augurs well for the truck business.



EVENLY BALANCED EXPERIENCE



The Cathedral of Learning for the University of Pittsburgh, now under construction
STONE & WEBSTER ENGINEERINC CORPORATION, BUILDERS
Charles Z. Klauder, Architect

STEAM power stations, water power developments, industrial plants, monumental buildings and other structures of varied types and magnitude are included in recent Stone & Webster Engineering Corporation work. We offer our wide experience to utilities, industrials, institutions, and others in planning and building projects of all kinds.

STONE & WEBSTER
ENGINEERING CORPORATION

New Trade Route For U. S. Ships?

AMERICAN shipping interests are going after business on the world's fastest-growing trade route (Pacific Coast to Europe), developments this week indicate. Two of the country's leading shipping men, Captain Robert Dollar, head of the line that bears his name, and P. A. S. Franklin, of the International Mercantile Marine, are now considering entering this route. The latter has already laid before the Postmaster-General plans for service from North Pacific ports of the U. S. to London, Antwerp, and a French port in an effort to have the route certified by him for mail contract purposes.

Captain Dollar, it is pointed out, might find it possible to use some of the American-Hawaiian Line vessels, should his company merge with the latter, as is expected in shipping circles. Mr. Franklin, having seen the success of his United States flag Panama-Pacific liners, California, Virginia, and Pennsylvania, in the intercoastal trade, visualizes similar possibilities in the Pacific-Europe run.

Through the Panama Canal moves a volume of products between Pacific Coast ports and Europe second only in aggregate to the United States intercoastal tonnage. It exceeds 6,000,000 long tons annually, of which 85% is eastbound. The total equals one-fifth of the entire cargo tonnage moved through the canal. Canned goods, fresh and dried fruits, wheat, mineral oils, comprise the bulk of the eastward movement, which has doubled in volume in five years.

French, British, German and Swedish lines carried more than 95% of the business last year. In the 8 years, 1922-1929 inclusive, more than 16,000,000 tons of cargo have moved in this trade route and approximately 90% has been handled in ships of registry other than American, despite the fact that half the tonnage is to, or from, American ports.

In addition to the cargoes now carried, vessels with refrigerated space are being placed in service to carry fresh fruits from California to European markets, while from Vancouver, grain-carrying business is a factor of growing importance. Farmers in the western provinces can ship their grain to Vancouver from points as far east as Alberta (800 miles from the Coast and over the Rocky Mountains) at combined rail and ocean rates which do not exceed those for the long transcontinental rail haul on eastward movement of grain.

Consider KANSAS CITY for these industrial opportunities

REMARKABLE industrial growth in Kansas City yet leaves more than two hundred lines of manufacture unrepresented . . . lines which would find a profitable market here.

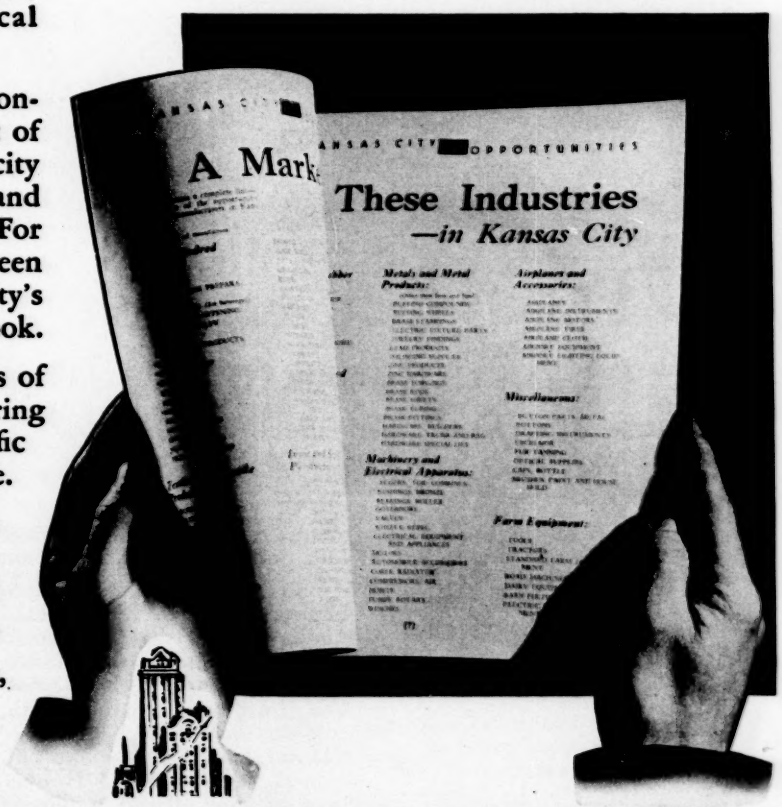
A thorough investigation revealed some 212 commodities now purchased in large volume from other markets, unavailable from any local manufacturing source.

Kansas City invites you to consider carefully this market of 21 million people and this city of outstanding production and transportation advantages. For that purpose, a book has been prepared covering the city's industrial needs—a *fact* book.

In addition, special surveys of the market and manufacturing possibilities for any specific commodities are available.

This may be *your* most logical expansion center. This may be *your* most profitable marketing area.

Let us give you the facts, without obligation.



INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE

KANSAS CITY
MISSOURI

Economical transportation is important. You can reach 15 million people at lower freight cost from Kansas City than from any other metropolis.

I am interested in this industry:

_____

and I attach the coupon to my letterhead as assurance of my interest, without obligation, of course.

Name _____

Address _____

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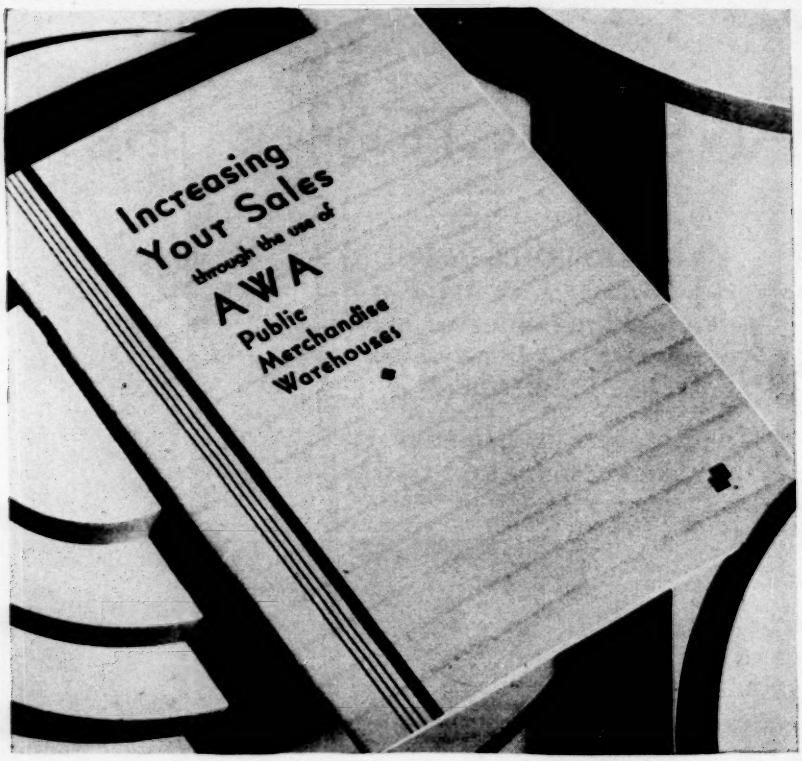
2430



This is the Free Book Alert Executives Are Reading!

Babson Institute requested 200 copies . . . manufacturers seeking national distribution find it extremely helpful . . . better send today for YOUR copy!

Within a week you can establish branch house service anywhere you need it in 126 cities where A. W. A. Public Merchandise Warehouses operate. Send us your goods . . . put your sales force to work in any or all of our 126 major markets . . . we will do everything for you that your own branch houses could do in the physical distribution of your goods! And we'll do it for less than it would cost you to operate your own branch houses!

We receive merchandise in carload or less-than-carload lots . . . store it as long as you wish . . . distribute it when and where you instruct us. Thus you can achieve strategic "spot stock" distribution throughout the United States, Canada, Cuba, Hawaii . . . and be able to deliver your goods quicker at less cost.

Many nationally-known manufacturers have successfully used our services for years to distribute their products economically. Among them are Beech-Nut, Bon Ami, Borden, Carnation Milk, Colgate, Comet Rice, Karo, Argo, Mazola, Linit, Flit, Vacuum Oil, Federal Match, Kotex, Hoover Sweeper, Lux, Rinso, Lifebuoy Soap, Mellin's Food, Postum, Ivory Soap, Quaker Oats, Tanglefoot, Vick's Vapo-Rub . . . and thousands of other products, made by manufacturers large and small.

Possibly the A. W. A. plan of distribution will help you! Send today for our booklet, and investigate!

Public Merchandise Warehouse Division
AMERICAN WAREHOUSEMEN'S ASS'N.
1727 Adams-Franklin Building, Chicago, Illinois

Tin Pan Alley Changes Tempo

TIN PAN ALLEY has gone talkie. It has succumbed to the theme song. The popular music publishing houses in, on or near Broadway in the Roaring Forties are still there, but they are now divided into three distinct classes—those which have been absorbed by the big film or radio broadcasting companies, those which hope to be, and the few which still cling to the old tradition and attempt to plug their songs by ancient methods.

A few years ago, before the voice of the movie was heard in the land, a music publisher chose from one to half a dozen songs upon which to concentrate his efforts, and spent as much as he could afford to popularize these numbers.

Came the Theme Song

Came then the theme song. The idea was hailed with enthusiasm, for, where it took a score of vaudeville performers and a hundred orchestras several months to bring a new song properly before the public, the films could do it in every city, town and hamlet in the country within a few days.

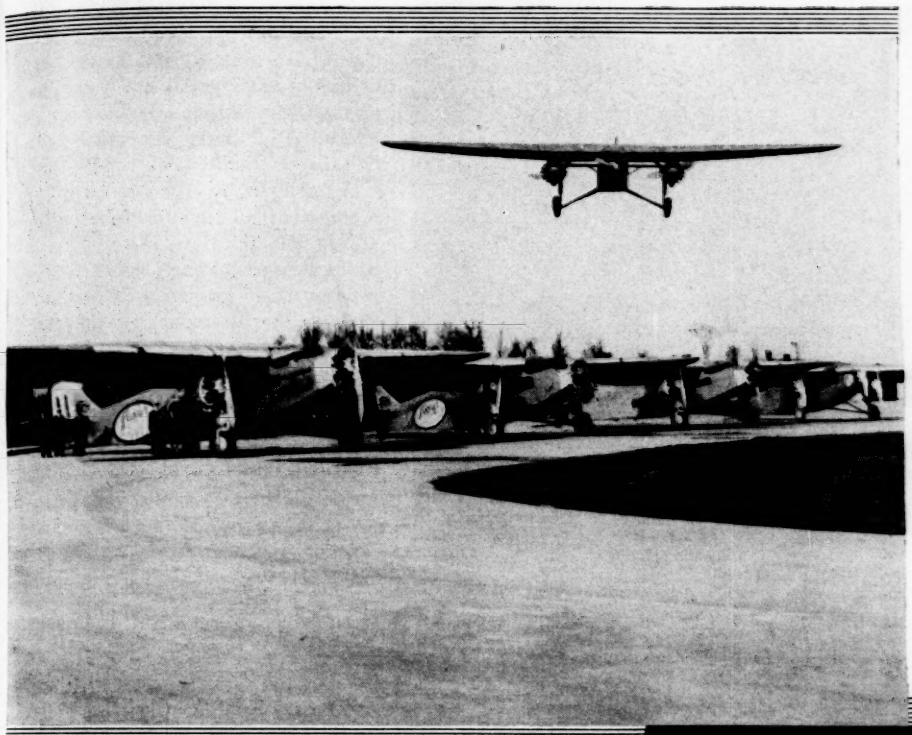
Once the big film interests had committed themselves to the production of musical pictures, they set about to entrench themselves in the production end of the music. Warner Brothers began the movement toward absorption of publishing houses several months ago by securing control of some of the leading houses in the popular field—DeSylva, Brown & Henderson, Remick Music Corporation, M. Witmark & Son, and Harms, Inc., with its affiliated companies.

The primary purpose of these acquisitions was to obtain control of copyrights, some of which are of great value. Harms, for instance, controls the compositions of such composers as Victor Herbert, Sigmund Romberg, Rudolph Friml, Jerome Kern.

The invasion of the radio interests was headed by National Broadcasting which now controls Leo Feist, Inc., and Carl Fischer, Inc., holding copyrights on much important serious music. National Broadcasting has also set up a separate organization. So have the Fox interests, which have already begun their publishing career with the new song from the John McCormack film.

The day of the million-copy song hit appears to have vanished with the coming of the radio and the talkie. Instead, however, there are usually a dozen or more good selling songs.

1,000,000 MILES . . . STOUT AIR LINES!



The Ford Plane

The Ford plane is planned, constructed and operated as a commercial plane. Built of corrugated aluminum alloys, it has great structural strength, unequaled durability, and is most economical to maintain in operation. The uniformity of its material is determined by scientific test. All planes have three motors in order to insure reserve power to meet and overcome all emergencies. The engines may be Wright or Pratt & Whitney, air-cooled, totaling from 900 to 1275 horse-power. Ford planes have a cruising range of from 580 to 650 miles and a speed range of from 55 to 135 miles per hour. Loads may be carried weighing from 3670 to 6000 pounds.

The capacity of these planes is 13 to 15 passengers and a crew of two (pilot and assistant). Planes can be equipped with a buffet, toilet, running water, electric lights, adjustable chairs.

The price of the Ford tri-motored, all-metal plane is exceptionally low because of its highly scientific methods of commercial production. Price is $42,000 to $55,000 at Dearborn.

Ford branches will be glad to give you information on the Ford tri-motored, all-metal plane in all models.

●

On schedule service Ford planes frequently fly in two or more sections to meet the demand for swift, comfortable transportation.

ALMOST incredible is the achievement of Stout Air Lines, operating the Detroit-Chicago-Cleveland routes. Up to the end of 1929, well over a hundred thousand passengers had been carried eight hundred and forty thousand miles without the slightest injury to a passenger, and with an extraordinary record both for reliability and the percentage of scheduled trips completed! *Ford all-metal, tri-motored transports only are used on these lines.*

The first operating route of Stout Air Lines was between Detroit and Grand Rapids, beginning in August, 1926. Since then new lines have been opened . . . schedules extended . . . rates cut almost in half!

Four round trips a day are flown between Detroit, Toledo and Cleveland. One way fare is $10. Two round trips daily are flown between Chicago and Detroit, one way fare being $18. On this route stops are made at Battle Creek, Kalamazoo and South Bend. The demand for passage on these lines is so great that on one occasion, at least, it was necessary to run eleven sections.

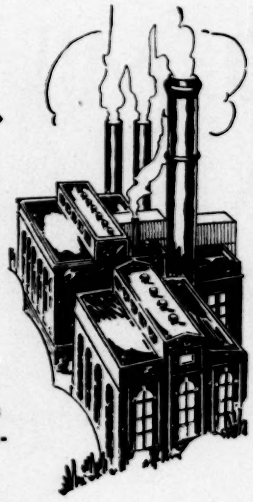
Ford planes are used on these lines with the steady dependability of trains and busses. They are recognized by every one as a permanent form of swift transportation.

All classes accept transportation by Ford planes with the same confidence that they accept rail transportation.

FORD MOTOR COMPANY

Visitors are always welcome at the Ford Airport at Detroit

"Cut production costs,"....



demanded the owners. Barstow engineers designed and built a new power house, and were among the first to use powdered coal..... the plant is still one of the most efficient in the United States, all factors considered—including interest on investment.

"It must be an economical building," said the company officials. Barstow engineers planned economically for present and future needs.

Transportation in Florida swamps was a problem. Barstow experts knew that only oxen's cloven hoofs could find a foothold in the mire. Ox teams speed construction.

Barstow men are trained to cut costs to a minimum—by construction methods and by plant arrangement and use. We can be of assistance to you.

Write for our twenty page booklet.

W. S. BARSTOW & COMPANY, INC.

Engineering—Design—Construction

50 Pine Street
New York City

412 Washington St.
Reading, Pa.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

Of The Business Week, published weekly at New York, N. Y., for April 1, 1930.

State of New York } ss.
County of New York }

Before me, a Notary Public in and for the State and county aforesaid, personally appeared C. H. Thompson, who, having been duly sworn according to law, deposes and says that he is the Secretary of the McGraw-Hill Publishing Company, Inc., publishers of The Business Week, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, McGraw-Hill Publishing Company, Inc., 10th Ave. & 36th St., N. Y. C. Editor, none. Managing Editor, Marc A. Rose, 10th Ave. & 36th St., N. Y. C. Business Manager, Jay E. Mason, 10th Ave. & 36th St., N. Y. C.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders, owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member must be given.) McGraw-Hill Publishing Company, Inc., 10th Ave. & 36th St., N. Y. C., Stockholders of which are: James H. McGraw, 10th Ave. & 36th St., N. Y. C. James H. McGraw, Jr., 10th Ave. & 36th St., N. Y. C. James H. McGraw, James H. McGraw, Jr., and Malcolm Muir, 10th Ave. & 36th St., N. Y. C. Trustees for: Harold W. McGraw, James H. McGraw, Jr., Donald C. McGraw, Curtis W. McGraw. Curtis W. McGraw, 370 Seventh Ave., N. Y. C. Donald C. McGraw, 10th Ave. & 36th St., N. Y. C. Harold W. McGraw, 285 Madison Ave., N. Y. C. Joseph H. Bragdon, 10th Ave. & 36th St., N. Y. C. Anne Hugus Britton, 10th Ave. & 36th St., N. Y. C. Mason Britton, 10th Ave. & 36th St., N. Y. C. Edgar Kobak, 10th Ave. & 36th St., N. Y. C. Grace W. Mehren, % Bankers Trust Co., Fifth Ave. & 42nd St., N. Y. C. J. Malcolm Muir & Guaranty Trust Co. of New York, 140 Broadway, N. Y. C., Trustees for Lida Kelly Muir. F. S. Weatherby, 271 Clinton Road, Brookline, Mass. Edwin S. Wilsey, 10th Ave. & 36th St., N. Y. C. Goldman, Sachs & Co., 30 Pine Street, N. Y. C.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is (This information is required from daily publications only.)

McGRAW-HILL PUBLISHING COMPANY, INC.
C. H. THOMPSON, Secretary.

Sworn to and subscribed before me this 31st day of March, 1930.

[SEAL] H. E. BEIRNE.

Notary Public N. Y. Co. Clk's No. 97, Reg. No. 1B84. King's Co. Clk's No. 646, Reg. No. 1089. (My Commission expires March 30, 1931.)

The Investment Trusts Prefer—

WHAT are the investment trusts doing with their money?

The question has been asked with insistence for nearly a year. Information now coming to light makes possible a fairly accurate answer. And since the trusts have some $3,500,000,000 of investors' funds, under the management of men who are among the most experienced of all market operators, an accurate answer should be of decided interest.

An analysis by Stone & Webster and Blodgett of 40 trusts with resources of $1,500,000,000 shows that 69% of their funds were in common stocks, 6.35% in bonds, 4.5% in preferred stocks and 13.94% in call money at the first of the year.

Analysis by Clark, Dodge & Co. of 77 trusts with assets of $1,800,000,000 reveals the most popular individual stocks.

Utilities Head Lists

Consolidated Gas of New York led the field, 49 of the 77 trusts holding some of its stock. American Telephone and Telegraph tied with Union Carbide in second place, each appearing on the books of 42 trusts. Forty listed Electric Bond and Share and 37 General Electric. Thus in the 5 most popular stocks, 4 were those of public utilities.

The next 5 in order of popularity were New York Central, Standard Oil of New Jersey, Columbia Gas and Electric, Atchison, Topeka & Santa Fe, and Gillette Safety Razor. United States Steel, often considered the market leader, stood twelfth on the list.

Analysis by types of concerns showed, in most cases, definite preference for one particular stock in each field. Leaders in their fields were: Agricultural implements—International Harvester; amusements—Radio; banks—Chase National and Guaranty Trust; chemicals—Union Carbide; electrical equipment—General Electric; foods—National Dairy Products; insurance—Aetna Fire (but insurance stocks are not popular with the investment trusts, none appearing among the first 100 favorites); merchandising—Sears Roebuck and Safeway Stores; motors—General Motors; non-ferrous metals—American Smelting; office equipment—Remington Rand; oil—Standard of New Jersey; rails—New York Central; utilities—Consolidated Gas of New York; tobacco—American Tobacco; steel—U. S. Steel; miscellaneous—Gillette Safety Razor.

Wide Reading

WILL EUROPE BE AMERICANIZED? André Siegfried. *Yale Review*, Spring. Mass production will be met with cartels; individuals will not become a part of a machine.

LONG WAGES. James Couzens. *Survey Graphic*, April 1. Strikes at activity peaks —and depressions with unemployment. Anticipates yearly wage plan.

HALF A CENTURY OF MECHANICAL ENGINEERING. *American Machinist*, April 3. Commemorates 50 years of A. S. M. E.—and looks ahead.

ALABAMA GOES INDUSTRIAL. Clarence E. Cason. *Virginia Quarterly Review*, April. First of the southern states to take the measure of a gentleman in terms of material possessions.

TEN KEY MEN OF BUSINESS. Edward A. Filene. *North American Review*, April. Ford, Young, Rosenwald, Giannini, Willard, Lamont, Straus, Edison, Kettering, and Hoover.

SOME OF THE THINGS THAT PLAGUE THE FOOD INDUSTRY. H. M. Foster. *Nation's Business*, April. If the food industry does not discipline itself it is in grave danger of government regulation.

A RICH MAN AND HIS MONEY. Edwin R. A. Seligman. *Review of Reviews*, April. Objectives of the modern captain of industry —and of George Eastman.

AMERICAN FURNITURE DESIGN TODAY. W. R. Storey. *Creative Art*, April. Modern trends in offices and shops; well illustrated.

ENGLAND'S REAL PROSPERITY. C. E. R. Sherrington. *Living Age*, April 1. Some brighter sides of Britain's economic life. Distress is not universal.

BRITAIN'S TRAGIC HOUR. Jules Sauerwein. *Living Age*, April 1. An editor prophesies that future ages will date England's decline as beginning with the Naval Conference of 1930.

AVIATION THROUGHOUT THE UNITED STATES. *Air Transportation*, March 29. Annual spring directory covering every branch of the industry.

WE ARE IN A NEW MERCHANDISING ERA. T. C. Sheehan. *Printers' Ink*, April 3. Timely comments on changing conditions in buying and selling.

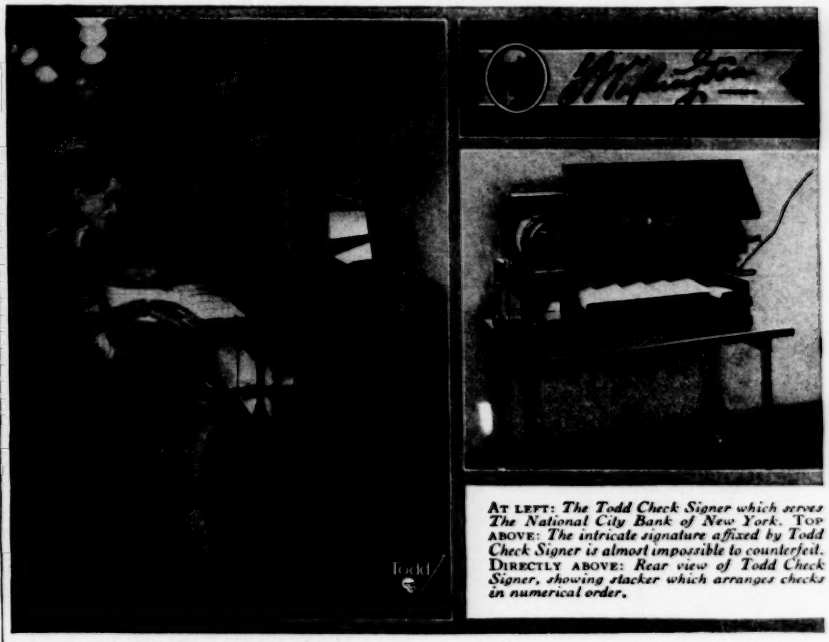
BOOKS

THE FILENE STORE: A STUDY OF EMPLOYES' RELATION TO MANAGEMENT IN A RETAIL STORE. Mary LaDame. Russell Sage Foundation, 341 pp., $2.50. Thorough and honest. Shows that a well-known plan for "industrial democracy" had in practice limited its participation in management to personnel problems, even before the merger of the store in a large group limited it in fact.

TOO MANY FARMERS. Wheeler McMillen. William Morrow, 333 pp., $2. Farm troubles analyzed. In readable English, 46 terse chapters, a man who thinks in straight business-like lines tells what can be done about it all. "The future is fair, for good farmers."

RAW MATERIALS OF INDUSTRIALISM. Hugh B. and Lucy W. Killough. Crowell, 407 pp., $3.75. Survey of world products under five major divisions, discussing resources of each country; charts and tables.

THE GREAT NATIONAL CITY BANK OF NEW YORK EMPLOYS A TODD CHECK SIGNER



AT LEFT: *The Todd Check Signer which serves The National City Bank of New York.* TOP ABOVE: *The intricate signature affixed by Todd Check Signer is almost impossible to counterfeit.* DIRECTLY ABOVE: *Rear view of Todd Check Signer, showing stacker which arranges checks in numerical order.*

OUTSTANDING, on the long list of users of Todd Check Signers, is The National City Bank of New York with aggregate assets of more than two billion dollars! To affix signatures by hand, to the huge number of checks issued by such an institution, would obviously entail hours and hours of cramping physical labor. National City Bank has conserved the time and energy of its personnel by installing a Todd Check Signer. The signing of checks is now a detail task like typing and filing.

Electrically operated, the Todd Check Signer requires the attention of only one employee. Sheets of checks fed into the model shown above are signed, cut and stacked in numerical order at the rate of 7500 an hour. With practice, much higher speeds are attained. Two Yale locks and a built-in meter, which records every check passing through the machine, simplify the matter of executive supervision. A smaller model signs 1200 checks an hour.

Hundreds of other leading organizations in the modern business world testify to the safety and efficiency of the Todd Check Signer. The Todd Office in your city will gladly arrange a demonstration at your convenience. Or you may return the coupon directly to us. The Todd Company. (Established 1899.) *Protectograph Division.* Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

4-30

THE TODD COMPANY, *Protectograph Division*
1124 University Avenue, Rochester, N. Y.
Please send me complete information about the Todd Check Signer.

Name _____

Address _____ *Business* _____

TODD SYSTEM OF CHECK PROTECTION

State Pensions Get New Impetus As New York Swings Into Line

Industry's own pension plans cover 16% of workers but estimates show 33% of all over 65 need aid

WITH Gov. Roosevelt's signature of the Mastick old-age pension bill, New York State joins the fast-growing ranks of commonwealths which provide organized aid for their old and needy citizens.

Eleven states and Alaska have state old-age pension plans in effect; favorable action on a similar plan is expected by the Massachusetts legislature this year; in seven other states pension bills have passed one house; a Congressional committee has given favorable attention to two proposed federal pension measures.

The first pension measure was introduced in Massachusetts in 1905. Alaska, in 1915, was first to put a pension law into effect. Since then, besides New York, Colorado, Kentucky, Maryland, Montana, Nevada, Wisconsin, California, Minnesota, Utah, and Wyoming have adopted state pension laws. In the last four states, pension bills were enacted in 1929. During 1927, pension measures were brought up in 28 states; 50 bills have been introduced in Congress but none has left the committees.

Pension or Poorhouse?

Arguments in favor of state pensions are based upon the fact that the poor are always with us. Despite the best efforts of savings banks, life insurance companies and other thrift promoters, a very considerable proportion of men and women who reach old age are left without a competence, dependent upon private charity or public almshouses. State pension plans are designed to care for these unfortunates more economically and in a way which permits the pensioner to retain his self-respect, to live with his family, his friends or where he will. State pension plans are not expected to reduce the number of needy persons but simply to take better care of them.

Many of the state pension laws, particularly those passed recently, are based upon a "standard measure" drafted by the American Association for Labor Legislation and the Fraternal Order of Eagles, both organizations active in promoting pension legislation. The standard law makes eligible for a pension anyone 70 years old, 15 years a resident in the state, having less than $3,000. He may receive a pension not to exceed $1 per day. The cost of the plan is divided between state and counties which have joint administration.

Early plans made acceptance of their provisions permissive to counties which, in many cases, showed little enthusiasm for them. Later plans, such as those of California, Wyoming, and New York, make county cooperation compulsory. With publication of cost figures showing the considerable saving in care of poor through the pension plan as compared with almshouses, more and more counties in all the permissive states are falling in line.

Comparative cost figures indicate a chief economic reason for the spreading popularity of state pensions. In Minnesota, poorhouses cost $490.70 per inmate; costs under pension plan are about ⅓ as much. In Montana, during 1927, pensions cost $166.50 per pensioner—less than half the almshouse cost. Average cost of almshouse operation in New York for 1927 was $299 per year; tentative estimates place the cost of the new pension plan at $244 per year.

Because of the extent of private charity work in caring for old persons most of us do not realize how great this problem is, even in this most prosperous country in the world. Abraham Epstein, secretary of American Association for Old Age Security, estimates that there are in the United States 6,000,000 persons over 65 years of age; that 2,000,000 of them are dependent upon relatives, charity or almshouses. Murray Latimer, Industrial Relations Counsel, believes that 25% of all persons aged 65 and over have less than $5,000 capital or $300 annual income; that at least 1,500,000 are unable to provide for themselves.

Unemployment Adds to List

Causes of old age dependency are many; perhaps too many to make effective preventive measures possible in the immediate future. They include low wages, sickness, industrial accidents, involuntary unemployment, industrial disputes, business and banking failures. All these factors tend to reduce the amount of money the worker can receive and lay away for his old age. The current unemployment has wiped away the small savings of hundreds of workers who must start all over again.

When considering high wages as a source of reserves against old-age dependency we are too likely to confuse wage rates with total income. While wage rates in many industries are on a

Pacific & Atlantic

"With Governor Roosevelt's signature of the Mastick old-age pension bill, New York State joins the fast-growing ranks of commonwealths which provide organized aid for their old and needy citizens"

Is Rip Van Winkle Lurking In Your Plant?

In other words, is your plan of production out of line with present day methods? Are you trying to compete with factory facilities that are inadequate and antiquated as judged by current standards?

In thousands of factories—yours perhaps—a system of Palmer-Bee conveyors would revolutionize manufacturing—effect new economies—speed up production.

One of the essential elements of mass production is the modern conveyor. Nor does mass production relate only to huge manufacturing operations. It applies equally as well to small plants and smaller industries. The principles are identical.

This is an age of facts. You cannot determine whether or not you can profitably use conveyors until you get the facts.

In one instance a system of Palmer-Bee conveyors quadrupled the value of the floor space—doubled production of the finished units—saved $50,000 in plant equipment—increased by 50% each man's productiveness.

Your plant—whether large or small—might be subject to similar gains. You never know until you investigate.

Let Palmer-Bee engineers analyze your complete problem. We make an individual survey of your specific situation—compute time studies—man power reductions—production increases. Palmer-Bee conveyors are designed applicable to every purpose in every industry.

Palmer-Bee recommendations are the result of scientific calculations. Concise—precise engineering determines your exact needs.

As specialists we study every stage of your production, as related to conveyor economies, so that we can wisely and intelligently recommend appropriate means to further accelerate and develop production progress.

A definite mechanical formula is found that economically fits your business. Each Palmer-Bee installation whether of the standard types or special designs is built to do a definite job based on pre-determined requirements. Palmer-Bee assumes all responsibility for correct design, strength of materials, workmanship and erection. Inquiries are invited for preliminary information.

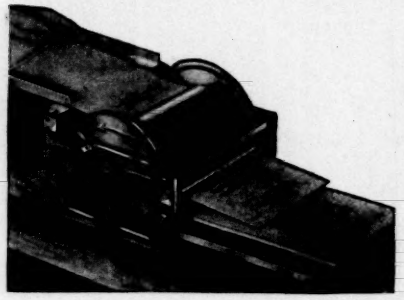
To Conveyorize is to Economize

Palmer-Bee Co.
1704-14 Poland Ave. • Detroit, Mich.
Conveyor Engineers and Manufacturers Since 1905

PALMER-BEE CONVEYORS

Conveyors for every purpose—for every industry—Speed Reducers—Power Transmission Machinery—Structural Steel Fabricators

FAST - CLEAN - CONVENIENT
Standard Rotary Duplicator



Radically Different Gelatin Duplicator

Over 200 copies from one original

Gives perfect registration

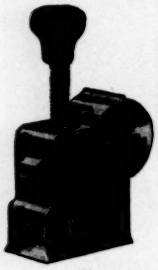
50 to 60 copies a minute

Uses Bond paper — coated not required

Delivers copies flat—not curled

When you have seen the *speed* with which the new *Standard Rotary Duplicator* produces copies—the *clear sharpness* of its work—the easy *simplicity* of its *rotary* operation—then you, too, will decide to cut the time and cost of *your* duplicating, and have the superior quality work of a new *Standard*.

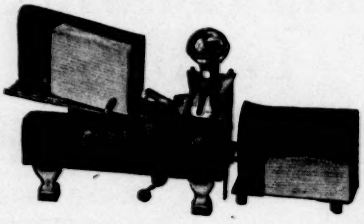
Standard
Stamp Affixers



Apply stamps to your mail five times faster than by hand—neatly, securelyandwithout waste. Models with or without counter.

Standard
Envelope Sealers

are available in five hand and motor-operated models, to seal from a few letters up to many thousands daily—quickly and efficiently. Positive sealing at low cost.



WRITE FOR COMPLETE INFORMATION

Standard
Mailing Machines Company
Spring Street Everett, Mass.

BUDGET EXPERT WANTED

The leading manufacturer in its field seeks an expert to install and supervise the operation of a budget system covering both manufacturing and sales.

Practical experience is essential and the man selected must be one who has been successful in the development and organization of a budget plan of operation in a manufacturing establishment producing a comprehensive line of products.

Kindly give details of education, experience and initial salary. Your communication will be held in strictest confidence.

BOX NO. 206

EXECUTABS
HIDE NOTHING
Executabs, changeable label, all celluloid index tabs, make every group of cards, every book, a neatly indexed file. Affix them to the cards—or to the pages of your phone book and they hide no information, obscure no valuable data. Perfect for price books, catalogs, telephone books, card files—also for guides and folders in your correspondence file. Write, enclosing this advertisement for FREE samples and prices.
EXECUTAB 100% VISIBLE INDEX TABS
EXECUTAB CORPORATION
970 POWER BUILDING
NORTH TONAWANDA, N. Y.

high level, seasonal and other forms of involuntary unemployment reduce the annual income considerably. A wage of $1,500 a year certainly leaves no great surplus for savings after caring for a family on any decent scale; yet, according to a 1927 survey made by National Industrial Conference Board, average annual earnings in few industries even reached this low level. The report found average weekly earnings in the meat packing industry to be $25.57; in lumber manufacturing and mill work, $26.18; in wool manufacturing, $22.21; in silk manufacturing, $22.74; and so on. Even in the radio industry which that year increased its profits by some thousandfold, average weekly earnings per worker were but $23.39.

Private Plans Fall Short

Private pension plans have been tried and are useful as far as they go. There are about 400 of these plans in operation in industrial, commercial and railroad concerns. About 16% of all persons now employed in industrial, mining and clerical occupations have the expectation of being paid old-age pensions by the concerns for which they work. But, according to Murray Latimer, after an extensive survey of labor turnover data, only from 1 to 5 of each 100 of these workers may expect to stay with his present employer until he reaches pension age.

In commenting upon the New York bill Governor Roosevelt said it was a distinct disappointment to many persons because it does not go far enough in solving the poor relief problem. His objections to it are typical of those which have been made to other state pension bills:

(1) The new law does not set up complete new machinery for poor relief but is based on an extension of existing welfare and poor laws.

(2) Statewide plans should be administered by the state instead of counties to insure equitable treatment of aged poor throughout the state and to diminish the danger of politics entering into practical relief.

(3) The amount of relief is left uncertain; it may range from $5 to $50 per month.

(4) The bill does nothing toward setting up a state controlled method to encourage savings on the part of individuals. Instead of a downright dole to all, premiums should be offered as an incentive to save based on the prospect that more than minimum existence requirements would be provided during the pension period.

We Break Into Argentine Rails

ARGENTINE railroads are no longer a European investment monopoly. United States capital is breaking through, will finance at once, probably eventually control, the Buenos Aires Central. The Public Utility Holding Corporation of America, sponsored by Harris, Forbes & Co. of New York, has arranged for the acquisition of a controlling stock interest in a Delaware corporation known as the South American Railways Company, which, in turn, will hold substantial interests in the Buenos Aires Central Railroad and Terminal Company.

The Buenos Aires Central extends from Buenos Aires 200 miles to the northwest through a well-populated agricultural region. A branch line to Zarate on the Paraná River, gives the system connection with the Entre Ríos and North East Argentine Railway systems, which are of the same gauge and connect with both Uruguay and Paraguay. Over the Buenos Aires Central they have their own connection with the Argentine's greatest port.

Has Line into Buenos Aires

Until 1908 the Central had no right-of-way into Buenos Aires. Freight was transferred at the suburbs to other lines serving docks and warehouses. But the Lacroze family, owners of a controlling interest in the Central, own one of the large tram lines serving Buenos Aires and its suburbs to the north and west. By electrifying the railroad and joining the lines, the combination has developed a huge passenger suburban service. Freight still is transferred in the suburbs.

New developments are significant, point to future growth, increased earning. Now under construction is a 5-mile subway which will carry electric suburban trains and all traffic of the Central through the heart of Buenos Aires to the port. Four miles of the line, which is being built by a New York firm, will be in operation by September. The subway is expected to carry 130,000 passengers daily from the beginning. Freight will be carried over the same tracks to new warehouses.

Entry of New York capital is significant. At present 70% of Argentine railroads are owned and controlled by the British, 10% by the French, and about 17% by the Argentine government or provinces. The Central, long privately owned, now comes under United States influence, may be a wedge for further financial entry.

This is the steel adopted by the automotive industry to replace many plated parts

To MANUFACTURERS *who are* OPEN MINDED *but want* PROOF

IT'S easy to prove what Carpenter Stainless Steel can do for your product in providing polished surfaces that will *remain* rust-proof and permanently bright. We are always ready to supply samples for manufacturers to test. If the parts you would like to see made of stainless are parts made on screw machines, find out just how *easily* and *quickly* Carpenter No. 5 bar stock machines, grinds, and polishes. It handles like ordinary screw stock. And for parts made of strip, there are Carpenter chrome irons and 18-8 chrome nickel grades ready to make economical stampings, and buff to a high lustre finish. Such proof, right in your own shops, will show that stainless steel is now practical for your product.

THE CARPENTER STEEL CO., READING, PA.

Tool and Alloy Steels Exclusively

Carpenter

STAINLESS STEEL

"The BANKER scrutinizes Advertising Policies and Results . . ."

says ARTHUR W. LOASBY

formerly Chairman of the Board of the Equitable Trust Company of New York

ARTHUR W. LOASBY

". . with a keener eye and greater understanding. Today he looks at advertising appropriations as he looks at fuel bills and labor costs."

MR. LOASBY makes a penetrating comment on the new conception of industry when he puts advertising in the same category with production.

He is one of the leaders who realize that the factory is no longer a problem complete in itself. The manufacturer's responsibility, in the modern view, is not ended until the product is in the hands of the ultimate consumer.

Alert business men are therefore seeking to lighten the burden of distribution. They demand the same efficient handling of products between factory and consumer that is found within the factory itself. To straight-line production they would add straight-line distribution.

Such integration can be achieved only when there is an active demand in the ultimate market. The study of this demand and the economical maintenance of it against the encroachments of competition are the contributions of good advertising service to this increasingly important phase of industrial activity.

Working with modern business executives, the J. Walter Thompson Company has for many years aided in the solution of these complex problems. Through extensive surveys and wide merchandising experience, it has made the advertising prepared for its clients an essential part of the economic process.

Two folders, entitled "Selling at Home" and "Selling Abroad," show the scope of the service of the J. Walter Thompson Company. These folders will be gladly sent to executives interested. Write to the New York Office and copies will be mailed promptly.

Giant building of the Equitable Trust Company, photographed from the base of the George Washington statue on the steps of the Sub-Treasury Building in New York. These great structures play their part in changing markets. There are over three and one-half million clerical workers in this country, most of them concentrated within urban areas. Market strategy developed by the J. Walter Thompson Company through research proves its value in the cultivation of such valuable markets.

The suburb and the standardized home present another phase of the modern problem of distribution. Study of their requirements and their place in the market as a whole has enabled the J. Walter Thompson Company to prepare advertising which has earned a place as an essential and reliable factor in the distribution of commodities.

J. Walter Thompson Company

New York • Graybar Bldg. • 420 Lexington Ave.

Chicago, Boston, Cincinnati, San Francisco, Los Angeles • Montreal, Canada • London, Paris, Madrid, Berlin, Stockholm, Copenhagen, Antwerp, Warsaw • Alexandria, Egypt; Port Elizabeth, South Africa • Buenos Aires, Argentina; Sao Paulo, Brazil • Bombay, India • Sydney, Australia

Swift Survey of Business Abroad

EUROPE

By Special Cable to The Business Week

SEASONAL revival is later than usual and is not comparable in degree with last year's pickup, but the general trend is one of improvement. In England, business expansion awaits announcement of Snowden's budget; in France, particulars of Tardieu's promised tax reductions; in Germany, political stability for realization of financial reforms and farm relief.

Money has tightened somewhat in England but remains easy in France and Holland, and comparatively so in Germany. Recent renewed investment activity continues. This fortunate development is indispensable to the revival of capital expenditures and of dependent interests. Sentiment is not buoyant but it is manifestly more confident.

By Special Cable to The Business Week

Great Britain—The incipient increase in industrial activity during recent weeks is noticeably widening, though it has not yet deepened. Coal has entered a seasonal decline, but earned profit during the first quarter is calculated by the Department of Mines to be $70 millions. The situation in iron and steel has improved slightly; cottons are better, and Manchester trade is reviving; wool is more freely bought, since no serious interruption over the wage dispute is feared now. Greater Wall Street activity has combined with local factors to contract the supply of money and to stiffen rates. Business feels that dearer but ample money is preferable to a nominally cheap bank rate with scarcity of funds.

Volume is lower on the stock market but the tone is confident and buyers are receptive to current and coming capital issues. There is widespread interest in the report that the Securities Management Trust formed by the Bank of England last year for the purpose of promoting and assisting in the financing of industrial rationalization is now founding a Bankers Industrial Development Company for the purpose of carrying out actual financing. Capital involved is $30 millions, of which 45 single-voting Class A shares of $500,000 nominal value will be subscribed by private banks, while 15 triple-voting Class B shares of the same denomination will be retained by the Trust. This would represent the first fruits of the Labor Government's announced policy to aid industrial reconstruction and the Bank of England's sensational departure from a long precedent in collaborating in a government program.

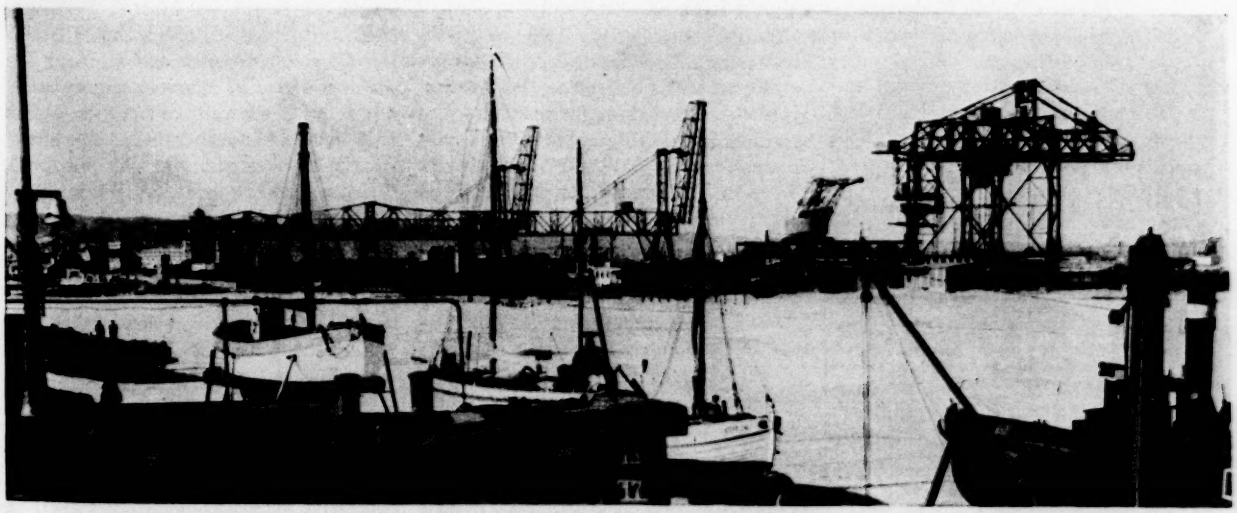
Although the agreement to restrict tin production is worldwide, the market is baffled by the failure of statistical position and prices of the metal to reflect curtailment of production. It is rumored that a bank consortium has been formed to buy and hold tin for a rise in price. The Coal Bill, after last-minute amendments, passed the Commons as a result of a Labor-Liberal working agreement, but it is expected to undergo radical revision in the House of Lords.

By Special Cable to The Business Week

Germany—Political uncertainty continues to be the outstanding feature of the general situation with defeat of the new Bruening government, dissolution of Parliament, and new elections a constant possibility. Hopes that the Bruening government would end the deadlock over pressing tax measures is unrealized. The government has given up all attempts to increase workers' contributions towards the dole deficits but is caught in the opposite dilemma of militant opposition from Bavarians over the increased beer tax upon which the government depends for nearly one-half of the increased revenues but which falls primarily upon Bavarian industry. Bruening is aggressively tackling current problems, has declared for priority of the finance bill over farm relief measures and is backed by Moldenhauer's refusal of responsibility for the treasury to meet cash liabilities next quarter-end unless tax measures are passed before Easter.

There are indications that business revival is awaiting political stability. Despite political uncertainties, recent strength on the bond market has spread to the stock market which sustained higher levels over the week-end. Farm products values recovered slightly following tariff increases, although prices of raw materials and manufactures tend further to decline and coal and steel activity is unsatisfactory.

Following the recent striking bank



POLAND'S MADE-TO-ORDER SEAPORT RISES OVERNIGHT

In the heart of the Old World, Gdynia, Poland's port on the Baltic, has grown with the speed of a New World oil town. Eight years ago a fishing village of 2000, today it boasts 40,000. Built to rival the free city of Danzig, its harbor tonnage has increased from a mere 10,000 in 1924 to 2,822,502 tons—equal to Boston—in 1929

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and shipping consolidations, the automobile industry is believed next in order, but not through mergers within the industry other than incidental. Rather, strength will come from incorporating automobile and steel industries, the latter eager to reorganize and strengthen this important customer. An advance scored by stocks of the leading manufacturers—Daimler-Benz, Bayerische Motorenwerke, and NAG—evidences approval of public opinion. Similarly, further absorption of coal mines by the steel industry is expected to result from difficulties in reconciling independent and mixed interests during negotiations to renew the expired Ruhr Coal Syndicate, which was prolonged by the Minister of Economics in order to give time to complete a new agreement.

By Special Cable to The Business Week

France—Business, which showed scarcely more than a seasonal winter lag, notwithstanding worldwide depression, is resuming general activity. The stock market is stirring. Optimism is stimulated by final ratification of the Young Plan, particularly by official announcement that the bill providing $60 million tax reductions, and favoring production and financial operations, will be submitted to Parliament in mid-April. It is expected that the dividend tax on domestic shares will be reduced from 18% to 15%, on foreign shares from 25% to 20%, while the tax on security transfers, based on the average market price during the preceding year, and now the principal burden suffocating the stock market—since, in extreme cases, the tax can exceed dividends—is expected to be reduced from 4% to 2½%.

Textile manufacturers in the Lyons district joined Calais and other centers in protest of United States lace duties. The government has instructed its ambassador in Washington to protest, and Commerce Minister Flandrin, notoriously hostile to the United States, has stated publicly in the French Senate that the new lace duties are characteristic of United States policy and aimed to stifle imports from Europe. French opinion is uniformly convinced of unfair treatment by the United States in demanding payment of war debts while discriminating against exports of French products which are alleged to be necessary to enable France to pay. There is considerable sentiment for retaliation. Negotiations between the United States and France on double taxation are announced to begin early in May. It is likely to be an arduous task if present feeling continues to prevail.

By Special Cable to The Business Week

Italy—Italian industry, though hampered during the year by adverse world factors, shows progress. Organization has been strengthened by many fusions, especially among banks. Coal and power consumption has increased, export of manufactures has slightly improved, while a bumper wheat crop materially has reduced imports. Business and stock exchange sentiment is encouraged by the recent removal of the gold embargo and exchange restrictions. General conditions are improving but observers feel this improvement is seasonal and that forecasts of prosperity are premature. The government is planning energetic measures to carry abolition of municipal octroi duties into an effective reduction of living costs. Abolishment affects 200 so-called closed cities, and 900 taxable articles, and marks liquidation of a system which is a survival of the feudal era, inconsistent with modern distribution.

A series of good dividend announcements include Terni, Montecatini, Isotta, and Edison which reports 8% increased use of power, and Breda, which reflects the good effects of the Dillon, Read loan and complete reorganization.

There is a new provincial bank fusion of Credito Toscana with Banca Firenze and Banca Degli Esercenti. Others are expected.

LATIN AMERICA

THE business outlook in South America this week reflected the small outburst of world optimism, evident in Europe and the United States for 3 weeks. Brazil has succeeded in attaining in New York and London loans necessary for economic development. Harris, Forbes & Co., through the Public Utility Holding Corp. of America, has arranged for the acquisition of a controlling stock interest in a Delaware corporation which will finance and eventually acquire a substantial interest in the Buenos Aires Central Railroad, only Argentine railroad owned by private local interests. The short term $50 million loan for Argentina is probably only a tide-over until satisfactory long-term credit can be arranged. Soon after his arrival next week, Carlos Alfredo Tornquist, prominent Buenos Aires private banker, is expected to open negotiations for long term credits. Official Washington and banking New York are eagerly awaiting the arrival of Dr. Olaya, Colombia's aggressive President-elect.

Fifteen conversations inaugurated regular telephone service between the United States and Argentina, Chile, and Uruguay, on April 3. Rates from New

York to Buenos Aires for three minutes are $36, to the rest of Argentina and to Uruguay, $37.20, and to Chile $39. These compare with cable rates of 42 cents per word to Buenos Aires and Santiago, and 52 cents to Montevideo.

On April 19, the new Grace liner, *Santa Clara,* sailing from New York on her maiden voyage, will carry United States business representatives on a good-will tour of South America.

Cuba—The sugar outlook has not brightened. Mill-owners will vote again next week on the Single Sales Commission as sole arbiter of sales and exports of Cuban sugar. With the tourist season virtually ended, receipts, usually bulking as the island's third largest source of revenue, total approximately only one-half of last year's.

Argentina—President Irigoyen's idiosyncrasies in isolating himself, and sometimes his country, failed to outshine in popular business interest several other events in Argentina, news center in the Latin world this week.

Following the international telephone hookup in which William C. Potter, president of Guaranty Trust Company, talked in Spanish with the heads of national banks in Buenos Aires and Santiago, came the announcement that United States financiers will finance an Argentine railroad, thus entering a field heretofore jealously usurped by British bankers. The entrance of Harris, Forbes is looked upon as the opening wedge of American finance in Argentine rails.

Long-rumored loans are considered probable in Wall Street, but details hinge on discussions likely to take place with Banker Tornquist, due to reach New York April 17.

In the meantime, the First National Old Colony Corporation heads a banking group issuing $8 million Province of Buenos Aires 6½% external sinking fund bonds dated February 1, 1930, and due August 1, 1961, offered 95½.

Construction is active with demand for materials good.

The Buenos Aires specialty store, Casa Tow, owned by Martin Tow of New York, has been sold to Whiteaway-Laidlaw, Ltd., a British firm with large department stores throughout the Far East.

Chile—Business is buoyant. Europe absorbed bond issues, and two loans have been arranged with United States bankers—one for $3 million with Grace & Co. for Santiago municipal construction, and a short-term $4½ million loan from the Guaranty Trust Company for the Nitrate Promotion Bank.

COSTS
CAN BE REDUCED

Have you noticed the modern type of gasoline pumps when you drive up to a Super Service Gas Station — have you compared them with the old style heavy pumps?

Here's what has happened—besides producing a better looking pump the manufacturers have lightened the weight—in one instance reduced it from 106 pounds to 42 pounds—simplified assembly—eliminated breakage—obtained a smoother, more perfect surface for finishing—reduced production costs — by the use of Pressed Steel!

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Please send me a copy of your FREE book, "Adventures in Redesign."

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After Office Hours

FEW businesses use to full advantage knowledge to be found in their own records. A concern making power control equipment worked for almost 20 years, made a great success, and yet did not know that in all that time it had never made a sale to a plant with less than 300 connected horsepower. Its salesmen were still calling regularly on many smaller concerns.

ADVERTISING can yet do much, not only to iron out the kinks of distribution, but also to extend knowledge of world markets. There are about 100 main ocean ports through which most freight moves between nations. Many are little known to the average business man. Some day a number of these ports will advertise in various countries and then business will know more about them. Hamburg started recently.

TWO great about-face movements in business thinking have taken place in recent years. One came with acceptance of the theory that high wages increase rather than decrease prosperity. Some question this a little now. The other is that industry should attempt, not merely to sell what it makes, but first to find what it can sell, then make that. This is not questioned.

FILENE'S, Boston department store, is prepared to extinguish the last spark of variety in male attire. It believes that, if neckties can be made to last longer, necktie-wearers will buy more expensive ones. So it has started a cleaning service as a life-extension institute of haberdashery. Other merchandisers say that what the country really needs is a haberdasher who will develop a turn-in service permitting a more frequent and less expensive exchange of used cravats for new models.

Professors in Trade

WHAT becomes of college professors who go into business? A survey would be interesting. Many are in association, institute, research work. E. L. Flentje, executive head of the Plumbing and Heating Industries Bureau, is a former professor of philosophy, University of California. Norman J. Radder, his public relations man, was a professor of journalism, University of Indiana.

TO A. T. & T., turning attention to improvements and betterments means more than building new plants or repairing old ones. Improvements and betterments are being manufactured. When regular business slows up a little, then work arising from the shift from central switchboard to dial phones, or other work manufacturing cradle-type phones now coming into great demand, is pushed ahead to take up the slack.

Holding Down the Boosters

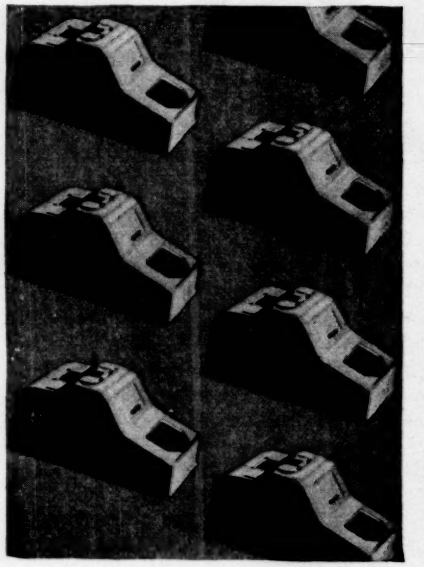
THERE is no great enthusiasm in Chicago for the World's Fair.

"Which is just what we want," say those arranging for it. "If the people were all worked up about it now, we would know for certain that their ardor would be cooled by 1933. Our plan is to work up to it gradually.

Beginning in 1931 or 1932 popular concerts by notable bands and orchestras will be held regularly at the fair grounds. Certain exhibits will open months in advance of the fair itself, as pre-fair advertising. Past experiences with world's fairs have shown that it takes time to gather momentum.

Two million admissions at 50c each have already been sold to the people of Chicago.

APPROACHING SALES PROBLEMS from the Angle of . . . Product Improvement



An 18 U. S. gauge seamless drawn steel cover, with reinforcing ledge around the bottom, designed by G. P. & F. to take the place of a casting formerly used on a business machine.

G. P. & F. DESIGNING ENGINEERS CAN ASSIST YOU . . . . . .

In this period of changing buying habits, many manufacturers are realizing the futility of simply urging the sales manager to get more business and let it go at that. They are analyzing the demand for more attractive, stronger and lighter products and are rendering practical assistance by approaching sales problems from the angle of product improvement.

But just what to do and how to do it successfully and economically is a problem requiring the attention of experienced designing engineers. G. P. & F. designing engineers can assist you. With a background of fifty years' experience, they can give advice and suggestions, aid in speeding up the completion of new or improved models, and get them on the market. A few weeks or months saved means an earlier return of money spent . . . an earlier profit.

Let G. P. & F. engineers know your problems.

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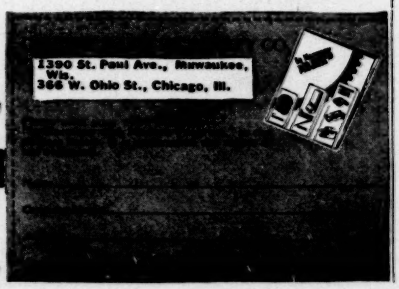

PRIMER STUFF—

IF you want more business than you have, you've got to have more prospects. That's primer stuff.

If your present group of actual and potential customers isn't materially greater than it was years ago, you can't expect much more from them than you're getting.

To advertisers in Chicago's evening paper field who are ignoring or merely pecking at the Chicago Evening American market, we urge a re-reading of the above.

Since the Chicago Evening American took the lead in circulation in Chicago's evening field it has achieved a gain of over 184,000 copies daily and the second paper but 64,469. The Chicago Evening American is now in its ninth year of circulation leadership in Chicago's evening field, and for over four years has led by over 100,000 copies daily.

Ask the Boone Man to point the moral to all this.

CHICAGO EVENING AMERICAN

a *good* newspaper

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Now in Its 9th Year of Circulation Leadership in Chicago's Evening Field

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EDITORIAL

Lest We Forget

WHEN we read of the Senate holding its appropriate hearings on certain bills relating to unemployment, of the familiar testimony at these hearings, of the favorable but probably ineffectual report on some of these bills, of the committees appointed in New York and other states to plan measures to deal with unemployment, and of many other activities and ideas stirred up again by the events of the past few months, we—and surely many others who were not born yesterday—are oppressed by a melancholy thought. How much of all this piety and zeal, this conscientious concern will remain when the season is over and the occasion past?

We note with relief the slight signs of seasonal recovery in employment. We believe with confidence that in a few months, more or less, the bread lines will melt away like the snows of yesteryear, almost everyone will be busy again and business will be once more as merry as a cash-register bell. Will we then forget all about it and file all our earnest ponderings over the problem of unemployment away with the other dusty documents in which our perplexities and plans of the past are embalmed?

We think it very likely, for memory is short and human nature is long on optimism. Yet we cannot help hoping that this time there may linger a little longer the sober realization that in this matter of unemployment we—and indeed the whole world of industry everywhere—are up against a relentlessly real problem for a long, long time, a problem that we shall meet again, at every turn of the road of progress, a problem we have so far accomplished precious little in meeting. It is *the* problem—some say the chronic disease—of modern industrial society.

This is a matter about which it is easier to be casual, cock-sure or consoling than constructive. We can't be any of these. We cannot point, as our vital statisticians do, to the increasing ca' canny of the stork with assurance that the approach of a period of stationary population will soon spare us the problem of unemployment; for we see that, for every trip the stork misses, the machine makes up threefold. Nor can we rest content with the usual vague references to the new industries and occupations which are said to be sure to absorb the labor released from the old. We hope they will come along, but should hate to depend upon them for a job just now. Shorter working hours and more leisure for pleasurable consumption make a natural appeal, even to us, but we cannot quite clearly enough calculate the economic stresses and strains which would be set up in our go-as-you-please business system to be sure that this noble experiment will get us anywhere either.

All that we are sure of is that business, government, and economic science must make a beginning, without delay, in studying the problem steadily and seriously from now on. We must first set up systematic and permanent machinery for gathering the bare facts about the number and nature of the unemployed; examine the rôle of education, training, health, and occupation in unemployment; look into the factors affecting the mobility of labor, and the possibilities and means of stimulating and guiding the transference of labor. These are only some of the things we shall henceforth have to begin to occupy ourselves with conscientiously and continuously.

But as a first step, in the months to come, we must frankly face and refuse to forget that unemployment is a real thing, in prosperity and depression alike, always with us—and always against us.

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